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Congress Of American Industry Will Ask $2,000,000,000 Cut In Federal Outlays

Immediate curtailment of Federal, State and local non-defense expenditures will be recommended as a major plank for the 1942 platform of the Congress of American Industry, Charles E. Wilson, Chairman of the National Association of Manufacturers' Resolutions Committee, stated on Nov. 26. This position is predicated upon the report of the association's Committee on Government Finance, which will be considered by the industrial convention, which will meet in New York Dec. 1-5. The Finance Committee document calls for a two billion dollar reduction of the Federal budget. The report states:

> Waste in non-defense spending, which must sooner or later be paid for in the form of taxes, can interfere seriously with the ability of the nation to pay for the defense this country requires. There is serious question that we can afford to carry $18,000,000,000 of Federal, State and local non-defense activities in addition to untold billions for national defense.

Livingston Houston, Chairman of the NAM Government Finance Committee, who directed the preparation of the report, compared the $2,000,000,000 saving with new heavy tax levies on the small taxpayer, and said:

> This reduction in unnecessary spending would be felt in every household in the nation. The average middle class and small family would be able to pay their newly imposed income taxes in entirety with savings which would accrue from such a slash in the budget. In real dollars, it would mean almost $60 per year to lower bracket taxpayers.

The association's report on spending and taxation strongly advocates immediate attention to the national financial problem. "The gigantic size of present government finances," it says, "indicates the great threat of national disaster if careless policies of spending, taxation and borrowing are followed."

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OUR REPORTER'S REPORT

Cheered by a fairly substantial turnover in the new issue market this week, the New York delegation to the Investment Bankers Association annual convention spent the last day or two clearing desks and getting ready to take off for Hollywood, Florida on Saturday morning.

Aside from offerings of blocks of stocks in the so-called "sundown market," underwriters took care of upward of $50,000,000 of corporate securities, the bulk being accounted for by two good-sized public utility offerings, namely those of the Philadelphia Electric Company and the Pacific Gas & Electric Company.

The convention, which really gets under way on Monday, after formal opening the preceding day, has been termed by Emmet F. Connelly, retiring President, as "the most important in the history of the IBA because of the crucial period in which it falls."

Two topics loom high on the roster of matters to be discussed, namely competitive bidding which has been quite thoroughly aired in recent months, and doubtless more important the part to be taken by the investmentt banking industry in the nation's all-out defense undertaking.

When announcement of the convention was made some weeks ago, it was the hope of officials of the association that the hearings before the House Interstate and Foreign Commerce Committee on amendments to the Securities Acts, would be closed.

But that is one expectation that will not be realized. But since hearings are still open, debate on the proposed changes should be the more interesting at the Florida sessions.

(Continued on Page 1211)

Conference Board Finds Third Quarter Net Of Industrial Companies Slightly Higher

The net income of 113 industrial companies was slightly higher in the third quarter, according to an announcement made on Nov. 25 by the Division of Industrial Economics of The Conference Board. The Board's seasonally adjusted index for 113 companies (1935-1939 equals 100) was 160 for the third quarter, as compared with 157 for the second quarter and 163 for the fourth quarter of 1940, when it was the highest since 1929. The index was 14% lower than its 1929 high, although the Federal Reserve index of industrial production was 40% higher than in 1929. The Conference Board's announcement further says:

> The net income of 385 industrial companies was $478,000,000, equal to 2.5% higher in the September quarter than in the June quarter, and was 38.9% higher than in the September, 1940, quarter. Earnings of producers of durable goods declined from the second quarter to the third, although part of the decrease is attributable to a seasonal decline in the earnings of automobile and parts manufacturers. The producers of non-durable goods earned more in the third quarter than in the second, largely because of improvement in the petroleum, paper, and drug industries. The net income of these 385 companies was 25.7% higher in the first nine months than in the corresponding period of 1940.
>
> The percentage of earnings which leading corporations set aside as reserves for the payment of Federal income taxes was about the same in the third quarter as in the second, although it was much higher than in the third quarter of 1940. For 217 industrial companies income tax accruals amounted to 55.5% of net earnings before Federal taxes, as compared with 56.1% in the second quarter and 39.1% in the third quarter last year. The percentage for the first nine months was 52.9, as compared with 31.6 for the first nine months of 1940.
>
> The net income after Federal taxes of 91 industrial companies was 8.3% of total sales in the first nine months, as compared with 10.1% in the corresponding period last year. Cost of sales and expenses were 81.4% of total sales as compared with 85.1% last year; but Federal income tax accruals amounted to 10.3%, as compared with 4.8% last year.
>
> The total sales of these 91 companies were $1,313,000,000 higher this year than last. Net earnings before Federal taxes were $348,000,000 higher, but tax accruals were $291,000,000 higher so that net income after Federal taxes was only $57,000,000 higher.
>
> The balance sheets of 47 industrial companies for Sept. 30 showed sharp gains in inventories and accounts receivable. In-

(Continued on Page 1209)

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Errol P. Nelson Now With E. H. Rollins

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Errol P. Nelson, formerly vice-president and secretary of Hugh R. Murchison & Co., has become associated with E. H. Rollins & Sons Incorporated, California Bank Building.

Snow With Merrill Lynch

(Special to The Financial Chronicle)

SANTA MONICA, CALIF.—Bertram N. Snow, for the past ten years local manager for E. F. Hutton & Co., has become affiliated with Merrill Lynch, Pierce, Fenner & Beane, Bay Cities Building.

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November 21, 1941

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Stein Bros. & Boyce And Barclay, Moore & Co. Will Consolidate At The First Of The Year

The firm of Stein Bros. & Boyce, 6 South Calvert Street, Baltimore, has announced that effective as of Jan. 1, 1942, their organization and the firm of Barclay, Moore & Company, Fidelity-Philadelphia Trust Building, Philadelphia, will be consolidated.

Stein Bros. & Boyce was originally founded in 1853. In addition to the membership in the New York Stock Exchange, the firm is a member of the Baltimore Stock Exchange, associate member of the New York Curb Exchange, member of the Chicago Stock Exchange, the Chicago Board of Trade, and Commodity Exchange, Inc. Branch offices are maintained in New York City, Louisville, Ky., York, Pa., Hagerstown, Md., Cumberland, Md., and Washington, D. C.

The firm of Barclay, Moore & Co. succeeded to the business originally founded in 1900 by its senior partner and has long been active in financial circles in Philadelphia. Memberships include the New York Stock Exchange, the Philadelphia Stock Exchange and associate membership in the New York Curb Exchange.

William K. Barclay, Jr. and James A. Williamson, partners of Barclay, Moore & Co., will become members of the firm. Mr. Barclay will be in charge of the office in Philadelphia and Mr. Williamson will be in charge of the stock department in that office.

William K. Barclay, Sr. and James Clark Moore, Jr. will maintain their offices with the firm in Philadelphia. The remaining members of the present organization will also become associated with the firm.

Both firms have conducted a general investment business and in addition to their brokerage activities incidental to the memberships on the various exchanges, have participated extensively in the underwriting of new issues.

The firm will consist of the following partners: C. Prevost Boyce, Col. Henry C. Evans (at present commanding officer of the 110th Field Artillery), William T. Childs, Milton S. Trost, C. Newton Kidd, Fitzhugh J. Dodson, Robert S. Lansburgh, and William K. Barclay, Jr., and James A. Williamson (formerly of Barclay, Moore & Co.). E. R. Jones of Stein Bros. & Boyce will retire as of the first of the year.

ABA Council To Meet At Hot Springs In April

The annual spring meeting of the Executive Council of the American Bankers Association will be held at The Homestead at Hot Springs, Virginia, April 19-22, 1942, it is announced by Henry W. Koeneke, President of the Association. Mr. Koeneke is President of the Security Bank of Ponca City at Ponca City, Okla.

The Executive Council is the governing body of the Association, consisting of bankers chosen by the Bankers Associations of the 48 States and the District of Columbia.

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Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Nov. 24 that the tenders for $200,000,000, or thereabouts, of 91-day Treasury bills, to be dated Nov. 26 and to mature Feb. 25, 1942, which were offered on Nov. 21, were opened at the Federal Reserve Banks on Nov. 24. The following details of this issue are revealed:

Total applied for___$466,603,000
Total accepted _____ 200,026,000
Range for accepted bids:
High—99.977. Equivalent rate approximately 0.091%.
Low—99.926. Equivalent rate approximately 0.293%.
Average Price—99.932. Equivalent rate approximately 0.267%.
(30% of the amount bid for at the low prices was accepted.)

There was a maturity of a similar issue of bills on Nov. 26 in amount of $100,799,000.

As was noted in our Nov. 20 issue, page 1116, a $50,000,000 increase (or from $150,000,000 to $200,000,000) in the weekly offering of Treasury bills was announced on Nov. 13 by Secretary Morgenthau, who indicated that the Treasury would offer $200,000,000 in the weekly bill issues until further notice.

On Nov. 24 Secretary Morgenthau announced that the Treasury is preparing to seek "new money" in the market early in December. Details will be announced before Dec. 15.

Erie R.R. Interesting

Joseph Walker & Sons, 120 Broadway, New York City, Members New York Stock Exchange, have prepared an analysis of the Erie Railroad Company and its new securities, copies of which may be had upon request.

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Shields Appoints Rauch Investment Advisory Mgr.

Shields & Company, 44 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, in line with their extensive development of securities research work, announce the appointment of C. Herbert Rauch, until recently Vice-President of E. W. Axe & Co., Inc., and one of the founders of that investment counsel organization in 1932, to be manager of the firm's Investment Advisory Department.

Last Call For IBA Convention In Florida; Nationwide Broadcast Of Green's Address

The 30th annual convention of the Investment Bankers Association offers a program of particular interest to the investment bankers in these days of chaotic world conditions.

Devoted to "meeting changing times" the program will offer a searching analysis and discussion of the broad trends affecting the industry and will consider as well the immediate internal problems affecting the business. Politics and economic and social trends will be explored and interpreted by practical experts. This year the convention innovates a forum on "How to Meet the Overhead," suggested by the necessity of finding better and more economical ways of managing an investment banking business; a panel of men well known in the business will steer discussion in this forum but it will be an open discussion and all members are urged to have a representative attend.

The convention will be addressed on Sunday night, Nov. 30th, by William Green, President of the American Federation of Labor, on "Preservation of Free Enterprise—the Common Objective of Labor and Capital." This address will be broadcast by the Mutual Broadcasting System on a nationwide hook-up (WOR in the New York area).

In addition, Hollywood, Fla., offers outstanding recreational facilities so that all attending may mix pleasure with business.

Heinzelmann & Ripley Is Formed In New York

The firm of Heinzelmann & Ripley has been formed with offices at 40 Exchange Place, New York City, to conduct a business in municipal and corporate securities. Partners of the new firm are Paul Heinzelmann and Henry B. H. Ripley, who were previously associated as officers of Heinzelmann, Ripley & Co., Inc. Mr. Heinzelmann has recently been in business as an individual dealer.

Associated with the firm in the municipal department is Frank I. Loomis. Mr. Loomis was previously a partner in Ripley, Loomis & Co., Inc., municipal bond specialists, and more recently was with Burr & Co., Inc., and F. T. Sutton & Co., as Manager of the municipal department.

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Final Suggestions For NYSE Nominating Com.

The 1941 Nominating Committee of the New York Stock Exchange received at its second and final open meeting ten additional suggestions for nominees for the 1942 Nominating Committee. A total of sixty-seven names have been submitted at the two meetings, which excludes names of two members who have asked that their names be withdrawn. The following names were suggested:

For Three Members of the Exchange: John H. Brooks, Jr., J. H. Brooks & Co.; W. Wilson Holden, Corlies & Booker; George H. Hogle, J. A. Hogle & Co., (Salt Lake City); Frank R. Schumann, Winthrop, Mitchell & Co.; and Norman S. Walker, Wood, Walker & Co. The names of Abner Bregman and Homer A. Vilas of Cyrus J. Lawrence & Sons have been withdrawn at their request.

For Two Allied Members of the Exchange: James F. Burns, Jr., Harris, Upham & Co.; George Douglass Debevoise, Struthers & Dean; J. Taylor Foster, Spencer Trask & Co.; Penn Harvey, W. E. Burnet & Co.; and Robert Haydock, Tucker, Anthony & Co.

A panel of five nominees for the 1942 Nominating Committee will be announced by the retiring Nominating Committee on Dec. 15 and will be voted upon by the membership on Jan. 12.

The 1942 Nominating Committee will propose a slate for the offices of the Exchange, and a successor Nominating Committee, to be voted upon at the general election on May 11.

Write For Circular

Allen & Co., 30 Broad Street, New York City, have prepared an interesting analysis of E. R. Squibb & Sons common stock, copies of which may be obtained from them upon request.

Tomorrow's Markets Walter Whyte Says——

The market persists in making a noise like a warmed-over affair; just seems to be dawdling along; but common stocks still seem to be as good an inflation hedge as anything; but remember the stops; more below.

By *WALTER WHYTE*

The market persists in making a noise like a warmed over affair. It never quite manages to live up to past promises and by the same token refuses to end it all. It just dawdles along getting nowhere in particular.

* * *

For months past we have heard and read reams of stuff about the dangers of imminent inflation. I have looked up the histories of past inflations until all the exiting horrors that attended them are coming out of my ears. In post-war Germany it was the guy with gold dollars, or pounds sterling, who got all the gravy. In post-war France one could buy a barrel of francs for a buck then go out and buy up the town.

* * *

The same thing was true of at least some common stocks, particularly common stock of companies which had enough fat stored away to live on, controlled their own sources of raw material and fixed the prices of their finished products. And if such companies had large bonded debts so much the better. For they could call them in, pay them off with peanuts and the stockholders — the owners — could split nice juicy melons. Of course all this is theoretical because actually few companies managed to come through the wringer unscathed. For the stockholder the problem was still a greater one. If he managed to get out in time, then infla-

(Continued on Page 1212)

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"JOTTINGS"

The Treasury seems inconsistent in that:

(1) It doesn't want "forced savings" but it does want higher payroll taxes.

(2) It is tough enough to want a 15% withholding tax but gentle enough to go slow on its defense-bond sales program.

(3) It doesn't want inflation, but clings to financing via the commercial banks and so far passes up such opportunities as, for instance, sales to life insurance companies, which the TNEC once damned (before defense made thrift respectable again) as the country's leading institutional gatherers of savings.

(4) It forces some corporations to do its borrowing indirectly, by not paying them for defense construction until it is finished. Next year others will have to borrow from the banks to pay taxes, which will have the same "inflationary" effect.

Other life insurance companies will probably follow Metropolitan's move in raising premiums. First, probably, Prudential and Mutual. It's a good advance move against the day when the Treasury decides to sell special issues to "mop up" the insurance companies' growing influx of investment funds. The companies will then be in a better position to ask a coupon high enough to cover their earnings guarantees.

If the mutuals have to raise their policy rates, think what must be the position of the stock life companies, which have not been able in recent years first to lower their dividends.

There's business enough for all, at the moment. But behind the pretty picture of fire and casualty business lurk (a) rising industrial accidents; (b) increased losses in use and occupancy, due to priorities, etc.; (c) and government pressure for cut rates or Congressional pressure for government self-insurance on its rising proportion of the country's inventory and plant.

At the moment, exporters and importers seem to be the hardest hit by the growth of government operations. Exports go by lease-lend, imports come by RFC subsidiary, and export-import firms are feeling the same kind of pressure felt by investment bankers (through government financing) and commodity markets (through government operations in "ever-normal granary," stockpiling, price-stabilizing, and cutting of trading limits).

Incidentaly, both our exports and imports are now up about 50% since the war started. But our export surplus hasn't increased as fast —yet—as it did during World War I, because at that time our exports doubled while our imports didn't increase so fast. But give us time, what with lend-lease and stockpiling.

This has been a pretty good month for Britain's import problem. Her shipping losses are down to round 250,000 tons a month, and the second chapter of lease-lend is extending to her the means of financing purchases not only here but in South America. When the end of her credits in this country was in sight she got lease-lend here. Now that her quick credits in South America are running out, we'll finance her meat and other purchases there as well. Sugar, too, from Cuba, probably. British sugar and fat rations were upped 50% this month.

That might help explain the strength in London stock prices. But a more likely explanation is simply the pressure of uninvested funds, which drove Berlin stock prices up from an index figure of 175 in March to 223 in September and drove the Paris bourse up sharply in 1940 after the Battle of France. In an economic totalitarian system (and Britain has become one since Dunkirk) there is very little to put your money into except government bonds or corporate equities. Retail sales in Britain, for instance, are shrinking. And the supply of corporate

(Continued on Page 1205)

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Carter Representing McManus On Coast

Joseph McManus & Co., 39 Broadway, New York City, members of the New York Curb Exchange and Chicago Stock Exchange, announce that Rufus Lee Carter has become associated with their firm as West Coast representative. Mr. Carter will have offices in the Van Nuys Building, Los Angeles, Calif. He was formerly Los Angeles representative for Keystone Custodian Funds and prior thereto was Pacific Coast Wholesale Representative for the Broad Street Sales Corporation.

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DIVIDEND NOTICES

a.c.f.

AMERICAN CAR AND FOUNDRY COMPANY
30 Church Street
New York, N. Y.

There has been declared, out of the earnings of the fiscal year now current, a dividend of one and three-quarters per cent (1¾%) on the preferred capital stock of this Company, payable December 31, 1941 to the holders of record of said stock at the close of business December 19, 1941.

Transfer books will not be closed. Checks will be mailed by Guaranty Trust Company of New York.

Charles J. Hardy, *President*
Howard C. Wick, *Secretary*
November 21, 1941

Allied Chemical & Dye Corporation
61 Broadway, New York

November 25, 1941

Allied Chemical & Dye Corporation has declared quarterly dividend No. 83 of One Dollar and Fifty Cents ($1.50) per share on the Common Stock of the Company, payable December 20, 1941, to common stockholders of record at the close of business December 5, 1941.

W. C. KING, *Secretary*

THE ATLANTIC REFINING CO.

PREFERRED DIVIDEND NUMBER 23

At a meeting of the Board of Directors held November 24, 1941, a dividend of one dollar ($1) per share was declared on the Cumulative Preferred Stock Convertible 4% Series A, of the Company, payable February 2, 1942, to stockholders of record at the close of business January 5, 1942. Checks will be mailed.

W. M. O'CONNOR
November 24, 1941 ***Secretary***

Borden's

COMMON DIVIDEND
No. 127

The final dividend for the year 1941 of fifty cents (50¢) per share has been declared on the outstanding common stock of this Company, payable December 20, 1941, to stockholders of record at the close of business December 8, 1941. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
Dividend No. 38

A dividend of twenty-five cents ($0.25) per share will be paid on December 13, 1941, to holders of the outstanding Capital Stock of the Calumet and Hecla Consolidated Copper Company of record at the close of business November 29, 1941. Checks will be mailed from the Old Colony Trust Company, Boston, Mass.

A. D. Nicholas, Secretary.
Boston, Nov. 19, 1941.

DU PONT

E. I. DU PONT DE NEMOURS & COMPANY

Wilmington, Delaware: *November 17, 1941*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable January 24, 1942, to stockholders of record at the close of business on January 9, 1942; also $1.75 a share, as the "year-end" dividend for 1941, on the outstanding Common Stock, payable December 13, 1941, to stockholders of record at the close of business on November 24, 1941.

W. F. RASKOB, *Secretary*

INTERNATIONAL SALT COMPANY
475 Fifth Avenue, New York, N. Y.

A dividend of ONE DOLLAR and FIFTY CENTS a share has been declared on the capital stock of this Company, payable December 15, 1941, to stockholders of record at the close of business on December 1, 1941. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN, Secretary.

DIVIDEND NOTICES

Electric Power & Light Corporation
Dividends on
$6 Preferred Stock & $7 Preferred Stock

At a meeting of the Board of Directors of Electric Power & Light Corporation held on November 25, 1941, a dividend of 30 Cents per share was declared on the $6 Preferred Stock and 35 Cents per share on the $7 Preferred Stock of the Corporation for payment January 2, 1942, to stockholders of record at the close of business December 6, 1941.

E. H. DIXON, Treasurer.

THE ELECTRIC STORAGE BATTERY CO.

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a final dividend for the year 1941 of One Dollar ($1.00) per share on the Common Stock, payable December 23, 1941, to Stockholders of record at the close of business on December 3, 1941. Checks will be mailed.

H. C. Allan, *Secretary and Treasurer.*
Philadelphia, November 21, 1941.

HOLLANDER DYED FURS

A. HOLLANDER & SON, INC.
Common Dividend

A dividend of 50c per share on the Common Stock has been declared, payable December 15, 1941, to stockholders of record at the close of business on December 5, 1941.
Checks will be mailed.

ALBERT J. FELDMAN, Sec.
Newark, N. J.
November 24, 1941.

KANSAS CITY POWER & LIGHT COMPANY
First Preferred, Series B. Dividend No. 60
Kansas City, Missouri. November 19, 1941.

The regular quarterly dividend of $1.50 per share on the First Preferred, Series "B," Stock of the Kansas City Power & Light Company has been declared payable January 1, 1942, to stockholders of record at the close of business December 15, 1941.

All persons holding stock of the company are requested to transfer on or before December 15, 1941, such stock to the persons who are entitled to receive the dividends.

H. C. DAVIS, Assistant Secretary.

OFFICE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
CHICAGO, ILLINOIS

The Board of Directors of Louisville Gas and Electric Company (Delaware), at a meeting held November 18, 1941, declared a quarterly dividend of thirty-seven and one-half cents (37½c.) per share on the Class A Common Stock of the Company, for the quarter ending November 30, 1941, payable by check December 23, 1941, to stockholders of record as of the close of business November 29, 1941.

At the same meeting a dividend of twenty-five cents (25c.) per share was declared on the Class B Common Stock of the Company, for the quarter ending November 30, 1941, payable by check January 27, 1942, to stockholders of record as of the close of business November 29, 1941.

G. W. Knourek, Treasurer.

NATIONAL DAIRY PRODUCTS CORPORATION

A dividend of 20¢ per share on the Common stock has been declared, payable December 15, 1941, to holders of record December 1, 1941.

GEORGE H. RUTHERFORD
November 19, 1941 *Treasurer*

UNION CARBIDE AND CARBON CORPORATION

UCC

A cash dividend of Seventy-five cents (75¢) per share on the outstanding capital stock of this Corporation has been declared, payable January 1, 1942, to stockholders of record at the close of business December 5, 1941.

ROBERT W. WHITE, Vice-Pres. & Treas.

DIVIDEND ON COMMON STOCK

The directors of Philco Corporation have declared a dividend of twenty-five cents ($.25) per share, payable on Dec. 12th, 1941, to stockholders of record on Nov. 28th, 1941. This is the fourth dividend of twenty-five cents ($.25) declared this year.

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VANADIUM CORPORATION OF AMERICA
420 Lexington Avenue, New York, N. Y.

November 18, 1941.

At a meeting of the Board of Directors held today a dividend of seventy-five cents per share was declared payable December 15, 1941, to stockholders of record at 3:00 o'clock P. M., December 1, 1941. Checks will be mailed.

P. J. GIBBONS, Secretary.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)
BOSTON, MASS. — **Earl William Lane** and **Raymond C. Shaw** have joined the staff of **Trust Funds, Inc.,** 89 Broad Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Lee Miller Jones** has become associated with **Dempsey-Detmer & Co.,** 135 South La Salle Street. Mr. Jones was previously with Sills, Troxell & Minton, Inc., and Case, Bosch & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **J. Parnell Egan**, for many years with Merrill Lynch, Pierce, Fenner & Beane and E. A. Pierce & Co., has become associated with **Hemphill, Noyes & Co.,** 231 South La Salle Street.

(Special to The Financial Chronicle)
CINCINNATI, OHIO—**Thomas A. Regensburg** has become affiliated with **John E. Joseph & Co.,** 18 East Fourth Street. Mr. Regensburg was formerly with W. E. Hutton & Co., Granberry & Co., and Greene & Brock.

(Special to The Financial Chronicle)
COLUMBUS, OHIO—**Lawrence Henry Stember** is now with **Orvis Bros. & Co.,** 16 East Broad Street. Mr. Stember was previously with Granberry & Co. and Vercoe & Co.

(Special to The Financial Chronicle)
DAYTONA BEACH, FLA.—**William Lee Hensley** has become connected with **T. Nelson O'Rourke,** 356 South Beach Street.

(Special to The Financial Chronicle)
DETROIT, MICH.—**Norman J. Frost** is now connected with **C. G. McDonald & Co.,** Buhl Building.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **H. Gordon Bleckner** has joined the staff of **Bingham-Walter & Co.,** 621 South Spring Street. Mr. Bleckner was formerly with Morton Seidel & Co., Norman B Courteney & Co., and Edgerton, Riley & Walter.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **Christopher H. Clarke** and **Harold Hinman Gunnell** have become associated with **Franklin Wulff & Co., Inc.,** 650 South Spring Street. Both were formerly with Bankamerica Company and in the past Mr. Clarke was with Laswell & Co.

(Continued on Page 1209)

(Special to The Financial Chronicle)
MANCHESTER, N. H. — **Leon Joseph Biscornet** is representing **R. H. Johnson & Co.,** 31 State Street, Boston, Mass.

(Special to The Financial Chronicle)
MANSFIELD, OHIO—**Richard E. Riley** has been added to the staff of **Livingston, Williams & Co., Inc.,** whose main office is in the Hanna Building, Cleveland, Ohio.

(Special to The Financial Chronicle)
MIAMI, FLA.—**Clifford Walter Snyder** has joined the staff of **Guaranty Underwriters, Inc.,** 310 West Adams Street.

(Special to The Financial Chronicle)
MIAMI, FLA.—**William Kenneth Hartung** is now with **United Securities Corporation,** Biscayne Building.

(Special to The Financial Chronicle)
PASADENA, CALIF.—**Russell A. Burke** and **Thomas Albert Ogden** have become associated with **Franklin Wulff & Co., Inc.,** 234 East Colorado Street. Both were formerly with Bankamerica Company, for which Mr. Ogden

(Continued on Page 1209)

J. I. Case Company
Incorporated

Racine, Wis., November 18, 1941.

A dividend of $1.75 per share upon the outstanding Preferred Stock of this Company has been declared payable January 1st, 1942, and a dividend of $7.00 per share upon the outstanding Common Stock of this Company has been declared payable December 24, 1941, to holders of record at the close of business December 12, 1941.

THEO. JOHNSON, Secretary.

JM Johns-Manville Corporation
DIVIDEND

The Board of Directors declared a regular quarterly dividend of $1.75 per share on the Cumulative 7% Preferred Stock, payable January 1, 1942, to holders of record on December 17, 1941, and a dividend of 75c per share on the Common Stock, payable December 24, 1941 to holders of record on December 10, 1941.

J. L. PICHETTO, *Assistant Treasurer*

JOHN MORRELL & CO.

Morrell PRIDE meats

DIVIDEND NO. 49

An extra dividend of Seventy-five Cents ($0.75) per share on the capital stock of John Morrell & Co., will be paid December 19, 1941, to stockholders of record December 2, 1941 as shown on the books of the Company.
Ottumwa, Iowa. Geo. A. Morrell, Treas.

THE UNITED STATES LEATHER CO.

A dividend of $1.75 per share on its Prior Preference stock to apply on account of dividends in arrears on this date has been declared by the Board of Directors of this Company, payable January 2, 1942, to stockholders of record December 10, 1941.

C. CAMERON, Treasurer.
New York, November 26, 1941.

The Yale & Towne Mfg. Co.

On November 26, 1941, a special dividend No. 204 of forty cents (40c) per share was declared by the Board of Directors out of past earnings, payable December 19, 1941, to stockholders of record at the close of business December 8, 1941.

F. DUNNING, Secretary.

The Yale & Towne Mfg. Co.

On November 26, 1941, a dividend No. 205 of fifteen cents (15c) per share was declared by the Board of Directors out of past earnings, payable January 2, 1942, to stockholders of record at the close of business December 8, 1941.

F. DUNNING, Secretary.

CANCO

AMERICAN CAN COMPANY
PREFERRED STOCK

On November 25th, 1941 a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable January 2nd, 1942, to Stockholders of record at the close of business December 18th, 1941. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

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JOTTINGS

(Continued from Page 1203)

equities was shrunk when American issues were shipped over here for sale or hypothecation before lease-lend.

And then, there's the capital gains tax here. Since it reduces rather than increases revenues it must be considered a social reform measure such as does not seem to interest the British very much. It produces more selling than buying — particularly now, when people seem to feel that the liberalization of a few years ago will be canceled next year.

Don't forget the TFR-300 deadline Saturday, if you are an exporter, importer, or insurance company.

Among other things this colossal census appears likely to turn up considerable Axis-owned raw materials, equipment, etc., which might eke out defense. During World War I German firms had months of freedom after we were already in the war, to hold out essentials.

Some people don't yet realize that TFR-300 applies not only to frozen or Axis funds but to the properties, accounts, or other beneficial interests of Canadians, British, South Americans, Russians, Chinese—i.e. to all foreigners, friendly or otherwise. Theoretically at least if you owe an English friend $5.00 you are supposed to tell Mr. Morgenthau about it.

(Speaking of the Treasury again, the back-office boys down there in the planning and budget department have made this 1941 book sensation, "The Managerial Revolution," their Bible. They say it means *them* (the "new ruling and exploiting class" to replace the capitalists). If you haven't read it, by all means do. Very interesting—and depressing.)

This seems to be the day of censuses. There's TFR-300. All the country's motor trucks are being compiled. OPM is making a census of all the metal inventories. Floyd Odlum is going to card catalog all the little businesses. And so on, these are only beginnings. "Economic planning," which the inept New Dealers described so brilliantly and bungled so badly, is now really coming in for the duration, and special censuses are essential to it.

Something will have to bust in the oil industry in a few months. Demand is above supply, and crude inventories are being pulled down, but Washington people are beginning to talk about stockpiling of crude. That adds up to increased crude production, which will soon have to mean new fields. But that means higher crude prices. Also higher priorities for drilling equipment. And new refineries. The refinery bottleneck there has led the British to start up some of their refineries; they had been importing products in clean tankers. Now they'll take crude in place of some of those products.

John Lewis doesn't seem to have done so well at the CIO convention after all. Murray is the man who gets the ovation. . . . Incidentally, if private armies and strong arm squads appear in this country as in Germany and Russia, it looks as though they would consist of labor's goon squads and over-size picket lines rather than of silver-shirts and such. At least if Lewis gets his closed shop. . . .

Anent the oft-repeated reference to this country as having "majority rule," contrast the majority opposed to Lewis and his strike; the popular allergy to utility public ownership evidenced this month in San Francisco and Louisville; and the majority skepticism among investors as to the benefit of SEC protection. But the current "Atlantic" has a piece pointing out that British opinion polls showed a majority for Chamberlain till he was out, quickly changing to a majority for Churchill once he was in. Sheep?

Bank Stock Offering

R. S. Dickson & Co., Inc., of Charlotte, N. C., offered on Nov. 22 a block of 28,154 shares of $10 par value common capital stock of South Carolina National Bank, Charleston, S. C., at $25 per share. The offering does not represent new financing for the bank, and the bank will not receive any proceeds from the sale thereof. The offering includes 26,742 shares to be sold by Socarnat Bank Corporation, subject to certain subscription rights granted existing stockholders, officers and employees, and also includes 1,412 shares presently owned by the underwriters.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Charles J. Bellamy withdrew from partnership in Tifft Brothers, Springfield, Mass., on Nov. 17th.

C. Adrian Rubel, special partner in F. L. Dabney & Co., Boston, Mass., retired from the firm as of Nov. 15th.

Satterfield & Lohrke, New York City, dissolved as of Nov. 15th.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34.5/6, low—14¾, last—33⅜.

Offerings Wanted

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Despite the continued uncertainty as to the outcome of the wage controversy, railroad securities have been getting renewed support from the highly favorable trend of car loadings. Just as traffic in the early fall was falling short of normal seasonal expectations, it is now going consistently against the usual trend. Now, however, the divergence is on the up side; volume is not falling off as it generally does once the October peak is passed. Standard & Poor's index of freight loadings reached a recent low of 74.1 in the week ended Oct. 11 after declining from a peak of 84.1 established late in July. The index has advanced in every week since Oct. 11 and for the week ended Nov. 15 reached 86.4 the highest level attained since their present system of indexes was originated.

The traffic performance in recent weeks bears out the earlier hopes of many railroad students that the pressure of rearmament program would be a more constant factor and tend to iron out usual seasonal curves. At the same time, the recent trend would seem to assure a continuation of wide year-to-year earnings gains throughout the balance of this year and the first quarter of 1942. In some quarters it had been held that earnings, on a 12 months' basis, had reached their peak and that railroad securities from here on would not have the potential market stimulus of expanding net.

It had been held that the high level of business last winter precluded the possibility of any betterment in the final months of this year, and that year-to-year car loading gains were therefore bound to narrow sharply or disappear entirely. On the contrary, the pace of year-to-year improvement has been accelerated, bringing with it a necessary reappraisal of earnings estimates.

Aside from the trend of traffic as a whole, the type of traffic making the largest contribution to the improvement, and the consistently greater efficiency in loading, are important factors in earnings results. Miscellaneous freight has made by far the best showing and this classification includes many of the highest tariff items. As a result, the rise in revenues has been even more pronounced than actual volume of business. Car loadings in August were approximately 20% above 1940 but revenues increased almost 30%, in September the car loading gain narrowed to about 13% but revenues were up 27.8%. While full figures for October are not yet available, it is notable that early reports show gross more than 25% above October, 1940, although car loadings were up less than 12%. The traffic gain widened to more than 15% in the first two weeks of November and the acceleration in gross results was apparently continued. The interruption from the coal strike and consequent curtailment of steel mill operations will be of short duration and more or less local in application.

Net results of the carriers have begun to show the usual year-end distortions due to adjustments of taxes, etc., which also makes necessary a revamping of individual estimates.

Of the early roads to report October results, the reorganizing Erie is apparently the only one that has taken account of the recommended wage increases. Erie charged roundly $800,000 to October operations reflecting the estimated increase from Sept. 1, the date set by the Fact Finding Board. There was, naturally, a partially compensating tax credit. "Nickel Plate" also took a substantial tax credit, presumably reflecting the loss on sale of Wheeling & Lake Erie prior lien stock and the premium on redemption of its own 4s, 1946. It was stated that similar credits would be taken in November and December. The credit amounted to $525,000 and if carried through in the last two months will aggregate more than 22% of annual charges.

Similarly, Chesapeake & Ohio took a tax credit of $1,375,700 in October, and will do the same in November and December as a result of losses established by sale of Erie and Chicago & Eastern Illinois securities. The full credit for the quarter will amount to more than half of annual fixed charges and will add more than 10% to previously estimated earnings on the common stock. Southern Pacific apparently made no important adjustments but it is likely that in the final months somewhat heavier tax accruals may be necessary as retirements will probably not be sufficient for the full year. Other adjustments are likely by a majority of roads, particularly in wages and taxes, but many will undoubtedly be postponed until the final month of the year.

The Corporation and Investment News Department in the current Tuseday and Saturday issues of the "Financial Chronicle" carried 461 items of importance to security dealers, brokers, bankers, investors—to everyone interested in the securities markets. Sixty of these news items covered railroads—earnings, car loadings, reorganizations, listing of bonds, tenders sought, bank loan reduced, foreclosure sale, trustees purchase of bonds upheld, loan extension, bonds retired, ordered to sell ship holdings, interest, route to be considered, acquisition of air line control, separate trustee sought by stockholders, bonds called, stabilization operations terminated, larger dividend, trustees object to ICC examiners' plan, etc., etc. These are but a few of the important news items such as appear in each Tuesday and Saturday issue of the "Financial Chronicle." If you are not now getting these issues, complimentary copies will be sent upon request. Address the "Financial Chronicle," 25 Spruce Street, New York City.

Railroad
Reorganization
Securities
(When Issued)

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Bank and Insurance Stocks

This Week — Insurance Stocks

Dealers in fire insurance stocks frequently will find it necessary to adjust investors' impressions of what "normal" underwriting profits should be, in view of the abnormally high underwriting profits for the three years ended 1935.

A good underwriting record is indicative of at least two signs of quality: (1) Efficiency of management. The underwriting "plant" produces the steady flow of premiums, received at no interest cost, which are invested with proper safeguards for both policyholders and stockholders to produce investment income and market appreciation. While, theoretically, therefore, a company with no underwriting profit or even a small underwriting loss would be coming out ahead, because of the "free" use of premiums, a moderate underwriting profit should be shown in order that the underwriting plant may justify its "keep." Good underwriting record, therefore, indicates a healthy production end of the business—sound underwriting practices and organization resulting in normal losses and controlled expenses, and assuring expansion in desirable types of volume in step with general economic development.

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(2) Growth factor. Since insurance companies limit dividends to stockholders to about 90% of investment income, underwriting earnings are all "ploughed back" and furnish the largest source of internal growth from operating earnings.

Consequently, a premium for insurance stocks possessing good underwriting records appears justified. There is a danger, however, that the abnormally high underwriting profits of 1933-1935 post-depression era may have "spoiled" investors into expecting large underwriting profits as a matter of course, and to regard present actually normal underwriting profits as too low.

Stock fire companies for the 3 years ended 1935 averaged nearly 11% per year underwriting profit on earned premiums. These are believed to be the largest underwriting profits for such a period in the history of the business, comparing with 4.9% underwriting profit averaged for 1927-1929, and 5.0% for 1936-1938. Loss ratio dipped to 44.0% in 1933, 43.7% in 1934 and 40.4% in 1935, or well below 47% expense ratio, compared to normally larger loss ratios averaging 50.6% for 1927-1929 and 46.1% for 1936-1938. In fact, throughout the depression years 1930-1932, loss ratios remained unusually low (53.4% average, compared to 59.5% for 1920-1922).

Underwriting experience has tended to run in cycles, at times difficult to explain. Thus, the 1930-1932 depression ratios, contrary to all previous experience for depressions, remained low and underwriting stayed in the "black'," generally credited to reduced "moral hazard" losses despite the most severe deflation in the country's history.

Since 1935, however, loss ratios have risen to more usual levels (47.0%), compared to expenses (46.9%), traceable primarily not to increased moral hazard but to the increased loss exposure created by expanded production and trade, and the gradual decline in average rates.

As a result, we find underwriting profits averaging 4.3% for 1938-1940, but with the trend downward (weighting latest years most, the 1938-1940 weighted average was 3.7%). Yet underwriting profits of stock fire companies for 1910-1940 averaged 2.6%, including the abnormal 1933-1935 period, compared to 2.3% profit for 1940, which was a better showing than in 14 of the 31 years covered. Indeed, for most "top" years, the average underwriting profits had been 6% until 1933-1935.

This is not intended to minimize the downtrend in underwriting profits, especially in view of the factor of decline in rates (average rate was $0.67 in 1940 and 1939, compared to $0.71 in 1935 and $0.97 in 1925). However, the higher trend of losses carries its own corrective against falling rates and competition, and steady expenses ratios on higher volume have helped to keep combined loss and expense ratios in line.

Thus, for 1940, loss ratio rose to 49.8% from 45.8% in 1939, but expense ratio declined from 47.6% to 44.6%, thereby holding the combined loss and expense ratios even at 94.4%.

Furthermore, the "burning ratio" (losses paid to total risks underwritten), has remained steady at 0.28% for 1940 and 1939, which while comparing with 0.24% in 1935, shows up well with 0.34% in 1933 and 0.31% in 1934.

The World War I record for fire company underwriting profits under wartime inflation was moderately favorable. With outbreak of war in 1914, fire companies reported aggregate underwriting losses of 3.6% of earned premiums, but the following year they made 4% and after nominal 1% underwriting profits in 1916 and 1917, reached 2.3% in 1918 and peak of 7.2% in 1919. Thus, for the 1914-1918 war years and the post-war inflation year of 1919, the companies averaged about 2%, on loss ratios at that time of 56% and expense ratios of 39%. Premium volume jumped from $307,000,000 in 1914 to $500,000,000 in 1919, and not only held this gain but added to it in the post-war period, when volume averaged $585,000,000 for 1920-1924.

Although in certain material respects, such as competition and rate structure, insurance conditions are different at this time, it appears reasonable to say that if the companies keep loss and expense ratios in line, the expected expansion in volume might well lead to at least as good an underwriting showing for World War II.

Therefore, current underwriting profits, measured against the long-term average, are not out of line, and they should not be compared with the abnormal 1933-1935 experience. The downward trend since 1935 shows signs of stabilizing into normal channels. Increases in aggregate losses are to be expected with production at high levels, but with the trend of premium volume sharply up and being handled without proportionate increase in expenses, the lower expense ratio will help to keep down combined loss and expense ratios within a profitable range of normal proportions.

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Panama Bond Interest

The National City Bank of New York as fiscal agent stated on Nov. 25 that funds are available for an additional payment on account of interest represented by the Nov. 15, 1939 coupons on Republic of Panama 35-year 5% external secured sinking fund gold bonds, series A, due May 15, 1963, in the amount of $7.64 per $25 coupon and $3.82 per $12.50 coupon. The payment is being made at the bank's offices, 22 William Street, New York.

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Chicago S. E. Ass'n Nominates Murchison

CHICAGO, Nov. 24—Thomas E. Murchison, partner of Paul H. Davis & Co., was nominated for the Chairmanship of the Chicago Association of Stock Exchange Firms by the Nominating Committee of the Association.

Other nominees were: Reuben Thorson of Jackson & Curtis, Vice-Chairman; Leonard M. Sperry, Bear, Stearns & Co., Treasurer.

Members of the Board of Governors, to serve three years: Patrick F. Buckley of Harris, Upham & Co.; Fred W. Fairman, Jr., of Fred W. Fairman & Co.; Leonard M. Sperry; and Edwin S. Stanley of Mitchell, Hutchins & Co.

Members of the Nominating Committee, to serve one year: Harry B. Chichester of Fred W. Fairman & Co.; Henry Grote of David A. Noyes & Co.; Kellogg Logsdon of Farwell, Chapman & Co.; Sampson Rogers, Jr., of McMaster, Hutchinson & Co.; and Jay N. Whipple of Bacon, Whipple & Co.

The annual meeting of the Association will be held on Friday, Dec. 5, 1941.

Texas Group Of IBA Names '42 Officials

DALLAS, TEX.—The Texas Group of the Investment Bankers Association of America has announced the new slate of officials who will take office on Dec. 5:

Milton R. Underwood, Milton R. Underwood & Co., Houston. Chairman; E. J. Roe, E. J. Roe & Co., San Antonio, Texas, First Vice-Chairman; Charles J. Eubank, Elliott & Eubank, Waco, Second Vice-Chairman; B. F. Houston, Dallas Union Trust Co., Secretary-Treasurer; Joe M. Callihan, Callihan & Jackson, Inc., Dallas, Three-Year Committeeman; Lawrence Davis, A. W. Snyder & Co., Houston, Two-Year Committeeman; and William P. Smallwood, State Investment Co., Ft. Worth, Texas, One-Year Committeeman. Mr. Davis is a carry-over on the present Executive Committee from Three-Year Committeeman to Two-Year Committeeman. Mr. Eubank was elected by the present Executive Committee to fill the term of Donald D. James, who had been selected as Second Vice-Chairman at the annual meeting of the Group in April. Mr. James is now with the investment banking firm of E. J. Roe & Co., and has resigned as Second Vice-Chairman, since Mr. Roe is Chairman for the 1941-1942 year.

Seybolt Co. Enjoined

The Securities and Exchange Commission has reported that Judge Francis J. W. Ford of the United States District Court at Boston, Massachusetts, entered a final judgment enjoining Seybolt & Seybolt, Inc., investment firm of Springfield, Mass., from further violating the broker-dealer fraud provisions of the Securities Exchange Act of 1934. The defendants consented to the entry of the judgment.

The complaint charged that the defendant had been fraudulently effecting transactions in the over-the-counter market by soliciting orders for the sale of securities to customers through representations that the securities when purchased by it would be held in safekeeping. To the contrary, the complaint charged, the defendant did not hold the securities in safekeeping but either sold them and converted the proceeds to its own use and benefit or pledged the securities as collateral to secure their own company loans. It was further charged that the company represented that certain checks issued to customers were dividends on securities held in safekeeping for such customers, when in fact the securities were not held in safekeeping and the checks were payments from company funds.

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General Manager
William Whyte
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Reserve fund __________ £4,125,965
Deposits ______________ £69,921,933
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Australia and New Zealand
BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital ________ £8,780,000
Reserve Fund ___________ 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th
Sept., 1940 __________ £143,903,000
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Cement Interesting

An interesting circular on the current situation in common stock of the Longhorn Portland Cement Company has been prepared by Milton R. Underwood & Co., Bulf Building, Houston, Texas. Copies of the circular may be obtained from Milton R. Underwood & Co. upon request.

The Securities Salesman's Corner

It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.

A SHORT SALES PRESENTATION IS USUALLY MOST EFFECTIVE.

Some years ago, in a New England city, there lived one of the most successful securities salesmen that ever walked in shoe leather. Probably it would be better to say "That ever sat at a desk." This unusual fellow rarely left his office. He took the attitude that his clients should come to see him—and they did.

Here was a fellow who said little. His manner, however, was very expressive. He acted the part of one who was the fountainhead of all available investment knowledge. There he would sit, a rather elderly looking man with a well trimmed grey beard, and the wisest, most solemn, expression imaginable written upon his face. Clients would be ushered into his inner office where he sat at a huge desk. The clients would ask him questions about their securities or they would ask him whether a stock they particularly favored was a good buy. For instance, they would say, "Mr. X, what do you think of Consolidated Hairpin?"

He'd never bat an eyelid nor change his expression. Slowly he would begin to stroke his beard, a determined look of concentration would come over his face, he would squint his eyes, then he would close them, he'd lean back in his chair—thinking. Silence would fill the room. His client would sit there in awesome suspense awaiting the profound decision at which Mr. X was so seriously trying to arrive. Then almost with a start he would sit erect, a gleam of inspiration would come into his countenance and he would say just one word "NO".

That's all there was—there just wasn't anymore. Who could argue with a no? Then he would begin his sales talk. It would always be something like this. "You ought to buy Consolidated Sewing Machine." Then he would stop. If the silence became oppressive he would just stroke his beard. Then he'd drop his voice, he would lean over toward the client ever so slightly and in the most confidential whisper you have ever heard in your life he'd say, "I know the right people are buying it." Then he'd regain his original pose of deep concentration and he'd sit looking at the ceiling. Then came the close, "I'll put you down for two hundred shares—that will be satisfactory?" The last part of this remark was half question and half assurance that, of course it would be satisfactory. Did he do business—he was a one-man riot.

Of course he was one of the greatest actors off the stage—the whole thing was an act. This stunt would be almost impossible to perform today. Still there is a sales lesson to be learned and some of the same principles can be applied even under present conditions.

Here we observe that the seller has eliminated nearly all controversial subjects and the clients objections by the simple process of assuming that he was so right in his judgment that he didn't even need to make a sales talk. Here is simplicity of presentation carried to an extreme. On the other hand if he had gone into the pros and cons in answer to the question as to what he thought about the client's Consolidated Hairpin he would have only involved himself in endless discussion.

It is the same principle as our visit to the Doctor. After your check up he says, "you'll be all right," or, "take this." He doesn't start a sales talk upon why you need vitamin B or why your spleen appears to be backfiring into your epoglatus. He doesn't *try to prove to you that he is right about your condition — he gives you his decision and lets it go at that.*

Your Doctor knows that his patient is rarely interested in the finer points of medical lore, he knows if he tried that they wouldn't understand his explanation and what is more important he knows that the only way he can create the faith of his patients which is necessary to the successful practice of medicine is to use the method of dogmatic recommendation. Our bearded Mr. X just applied this method of salesmanship to the securities business.

All of us, at times, talk too much. Our sales talks are also too long winded. There are times when a lengthy dissertation bringing out the merits of a security offering are advisable. A good salesman, however, knows when and how to do this. But there are times when excessive talk can be eliminated. There are times when you can make your prospect ask questions. That's when the good salesman knows he has the client really interested. That is the time to hold back, to arouse curiosity instead of turning on the full floodgates of oratory. Then just for a change assume that you know he should buy and ask for the order. A close is the easiest part of a sale providing the prospect's mind has been conditioned for taking action—the trouble with most "closes" is that they come to soon—or not at all.

Today, we can't do business like the hero of this little story. We can disclose full information as is required by the Securities Acts and the law but we can also talk less about balance sheets, income accounts, statistical reasons for purchase or sale of an individual security and all the dry as dust reason which most investors are positively uninterested in knowing about. Anyone that thinks that the American investor wants to be bothered with such things has never sold many securities during the past 20 years especially to individuals. They just don't want to be bothered and despite all talk to the contrary they still desire to allow some one else to do their thinking for them. This of course, is usually their Broker, Securities Salesman, Investment Counsel or Investment Dealer.

In conclusion maybe we can sum it up in this manner—a good salesman should assume the attitude that he is competent to advise his clients and then he should do this without too much sales talk. If properly handled this is the best method of conducting a securities business. It saves wear and tear on the vocal chords, the ear drums and the nervous system and there is more profit in such a clientele after it has been established. The statistical department should do the brain work and the salesman should present the finished results of their work.

His job is to boil the facts down into their simplest most understandable essentials and to present them with the least amount of talk that is possible. At any rate maybe we can remember—"More talk, less business—less talk, more business." We can all stand a check up in this respect once in awhile.

Gains Reported By Dominion Bank, Toronto

The 71st annual statement of The Dominion Bank, Toronto, Canada, showing the results of the bank's operations for the year ended Oct. 31, 1941, made public Nov. 24, indicates a strong liquid position, substantially higher deposits, and an increase in investments and a further increase in commercial loans. After providing for all taxation, net profits were $939,322 from which $85,000 was transferred to officers pension fund, $150,000 written off bank premises, and dividends of 10% per annum, amounting to $700,000, were paid. Total deposits of $143,151,000 increased over $12,000,000 and Dominion and Provincial Government bonds and other high grade securities, totaling $42,643,000, increased a further $4,000,000 represented by purchase of additional Dominion Government obligations. Commercial loans and discounts in Canada now aggregate $78,817,000 representing an increase of $4,600,000 for the year and a record total for the bank.

Cash assets now exceed $33,889,000, immediately available assets $80,131,000, with total assets of over $168,000,000, the highest ever published in the history of the bank. Capital $7,000,000 and reserve fund $7,000,000, or 100% of paid up capital, remain unchanged, with undivided profits at $865,000.

Pierson To Speak At Bankers Forum Dinner

Warren Lee Pierson, President of the Export-Import Bank of Washington, will be the principal speaker at the 28th Annual Bankers Forum Dinner of New York Chapter, American Institute of Banking, to be held on Monday evening, Dec. 1, at the Hotel Roosevelt in New York. W. Randolph Burgess, Vice-Chairman of the Board, The National City Bank of New York, will preside at the dinner and the guests of honor will be Henry W. Koeneke, President, American Bankers Association; Eugene C. Donovan, President, New York State Bankers Association, and Henry Bruere, President, Savings Banks Association of the State of New York.

Benj. Lewis Adds Three

(Special to The Financial Chronicle)

CHICAGO, ILL.—Albert James Hunter, Robert A. Copeland, and William K. Braden have become associated with Benjamin Lewis & Co., 135 South La Salle Street. Mr. Hunter was previously in the municipal department of Brailsford & Co. and prior thereto was with John Nuveen & Co., Harrison, O'Gara & Co., and Roger K. Ballard & Co. Mr. Braden was formerly with Barney Johnson & Co., Shields & Co., L. A. Andrew, Jr., & Co., and Hemphill, Noyes & Co.

F. H. Emery With Prescott

(Special to The Financial Chronicle)

CLEVELAND, OHIO—Fred H. Emery has become associated with Prescott & Co., members of the New York and Cleveland Stock Exchanges, Guardian Building. Mr. Emery in the past was a member of the Cleveland Exchange and was a partner in Pulliam, Emery & Co. He has recently been connected with the First Cleveland Corp.

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Investment Trusts

Investment Company Reports

Boston Fund, Oct. 31, 1941

Boston Fund reports total net assets of $6,686,590 as of Oct. 31, 1941, equal to $12.94 per share on the 516,854 shares then outstanding. This compares with net asset value of $13.84 per share on 498,270 shares at the close of the previous quarter on July 31, and $13.16 per share on 477,545 shares outstanding at the close of the Fund's fiscal year last Jan. 31.

During the quarter ended Oct. 31, holdings of cash and equivalent were increased to a net total of $724,517, amounting to 10.9% of the Fund. By industries, oil stocks represented the largest individual group of stocks held, followed by chemicals, utilities, automotive and store stocks.

"The Federal Reserve Board Index of Industrial Production, now around 160, may be expected to advance to perhaps 175 in 1942," the quarterly report observes. "Whether corporate earnings will register a corresponding improvement depends very largely on the ability of corporation managements to meet the problems of taxation, labor costs etc. So far, the record in this respect has been satisfactory, as evidenced by the fact that a composite index of quarterly net earnings averaged, according to preliminary figures, 109.4 for the first six months of 1941 as compared to an average of 92 for 1940."

* * *

Republic Investors Fund, Inc., Sept. 30, 1941

Republic Investors Fund reported gross assets of $2,173,031 on Sept. 30, 1941, with marketable securities owned valued at cost of $2,016,832. The current market value of the portfolio was $1,288,083. Net assets available for the Convertible Bonds, Preferred Stock and the Common Stock outstanding totaled $1,407,811, with portfolio holdings valued at market. Collateral Secured 4½% Convertible Bonds, Series A, due Feb. 1, 1940, outstanding totaled $332.000. There were 4,707 shares of 6% preferred stock, Series A, convertible $10 par value outstanding, and 11,780 shares of 6% preferred, Series B. $10 par value. Common stock outstanding totaled 283,976 shares.

Income for the nine months ended Sept. 30, 1941, totaled $61,801. Expenses other than interest and debt discount and expense amounted to $42,921. Bond interest and debt amortization and expense amounted to $12.530. After provisions for taxes of $945 net income amounted to $29,447. Net profits realized from security transactions, after provisions for taxes, amounted to $18,197.

"Earnings and dividends applicable to the stocks held by the company are estimated to exceed 1940 rates by approximately 30%." it was stated in the report and the 1941 earnings applicable to the stocks owned after all taxes and substantial reserves, "are estimated to equal approximately 15% of their aggregate market values."

* * *

Sovereign Investors, Inc., Sept. 30, 1941

The report of Sovereign Investors, Inc., for the nine months ended Sept. 30, 1941, showed total net assets of $522,964 applicable to 75,255 3/10 shares of common stock outstanding. Marketable securities at current market quotations were valued at $399,678.

FUNDAMENTAL INVESTORS, INC.
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
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Income from cash dividends and interest for the nine months ended Sept. 30, 1941, totaled $20,684. Expenses amounted to $5,744. Net profits from security transactions amounted to $2,773, and the total of net income and profits for the period was $17,713.

* * *

Investment Company Briefs

There is no turkey shortage for security salesmen in the National Securities & Research Corporation's "Turkey Money" Contest. Checks for "Turkey Money" equal to ¼ of 1% on all orders received from entrants and paid for between Nov. 1 and Nov. 24 will be mailed shortly. Two other settlement dates remain—Dec. 22 and Jan. 5.

* * *

"In discussing corporate earnings these days it has apparently become fashionable to stress the large increases in their taxes and to pay less attention to the increases—which in many cases are also substantial—in net profits after taxes. Yet, from the investor's standpoint the latter is of much greater importance.

"It is worthy of note, for example, that in the first nine months of 1940 net profits of 350 industrial concerns increased by 25.7% over net profits for the

(Continued on page 1211)

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
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Municipal News & Notes

NEW ORLEANS

LOUISIANA
and
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Salary raises for police and firemen, municipal ownership of utilities and one or two "reform" proposals were among the comparatively small number of local issues on the Nov. 4 ballots, which drew a light vote generally in this "off year," information from the American Municipal Association shows.

State-wide elections were scheduled only in Kentucky, New Jersey, New York, Virginia, Pennsylvania and Mississippi. Local elections in other states were for choice of councilmen, mayor and other local officials.

Police salary raises, submitted to voters in 31 New Jersey municipalities, were approved in only eight, while firemen's salary increases, up in 17 cities of this state, were approved in only one or two. Elizabeth, N. J., was one of the cities voting the increase.

In Paducah, Ky., proposed ordinances to increase salaries of police and firemen and establish a civil service system for certain other city employes were defeated. Cleveland, O., voters also defeated police and fire salary increases, along with a 2.73 operating levy for the administration of poor relief, which would have given welfare employes pay raises already voted by the city council.

In Cheyenne, Wyo., on the other hand, voters approved an ordinance raising the salaries of the mayor and commissioners. In three Pennsylvania towns—Merchantville, Brooklawn and Pennsauken Township—pay increases were voted for police.

San Francisco and Cincinnati both defeated proposals on municipal utilities. Under the Cincinnati proposal, the city would have constructed a new power plant or issued $100,000,000 in bonds to buy the private plant now supplying the city with power.

San Francisco voters failed to approve a proposal to authorize a $66,500,000 revenue bond issue for purchase of the distribution lines of the private power company now transporting electric power from the city-operated Hetch Hetchy Dam in Yosemite National Park. The city has been selling Hetch Hetchy power to the utility company for distribution under an "agency contract" for 17 years, but the U. S. Supreme Court found it to be violating the Raker Act, which permits sale only to municipalities or public irrigation districts, and after June 30, 1942, will place an injunction on this activity.

Chief of the reform measures was an amendment to the New York City charter, approved by voters, abolishing the elective offices of county sheriff and city register. Appointments to these offices will be made by the mayor on the basis of a civil service examination. To clarify the situation, a lawsuit is expected on the question of whether those elected to the posts of sheriffs and city register in the five counties the same day the offices were abolished can take office next January.

Other issues acted upon included a state-wide enabling act in Kentucky to permit voting machines in counties, which was adopted; a charter amendment in Cleveland to eliminate sewer rental charges and replace operating funds from general fund allocations, which was defeated; a charter amendment in Detroit for reinstatement of civil service employes absent in the armed forces, which was approved; and an amendment authorizing construction by New York state of 20 miles of ski trails in the Adirondack forest preserve, adopted.

Municipal Capital Outlay Expenditure Fluctuations

An examination by the Department of Commerce of fluctuations in capital outlays of municipalities disclosed that in the past these expenditures for durable goods have expanded during periods of industrial prosperity and declined during recession, it was announced.

This is a factor of fundamental economic significance which has sometimes been overlooked in attempts to utilize public works as an "antidote to depression" it was said.

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INVESTMENT SECURITIES
1st NAT BANK BLDG CHICAGO ILLINOIS

In view of the financial difficulties encountered by most municipalities during depression, these bodies have not been able to maintain, much less expand, capital outlays during such periods.

If local governments could keep their outlays for durable goods at the pre-depression level during the depression, however, then an expanded program of Federal works would be more effective in taking up the slack in private-capital expenditures, the Department reported.

A planned and stabilized program of municipal public works would be an important factor in the future in ironing out cyclical fluctuations according to the Department of Commerce.

Rising Municipal Costs

Last Friday the New York "Times" in its editorial columns took cognizance of the serious problem that will confront local units of government as prices of materials and services advance on the pressure of "all-out" defense demands. The comments follow:

The action of Budget Director Kenneth Dayton in directing all city departments to cease purchases of supplies and equipment until a program of economies can be worked out was a reminder of how far-reaching the effects of constantly rising prices can be. Mr. Dayton calculates that each department will have to trim its budget for materials by about one-fifth to allow for the rising costs.

As the advance in prices goes on, this is a situation that will confront municipalities throughout the country with increasing severity. Reduced relief costs may be an offset for a time; but against that there will be demands from municipal employes for higher pay to meet the rising costs of living. The net upshot is bound to be reduced municipal services or higher budgets with accompanying higher taxes. This is scarcely a cheerful prospect for the ordinary citizen, already pinched between a higher cost of living and rising Federal taxes. The effect of higher prices on municipal costs is simply one more evidence of the urgent need for effective measures to control inflation. Yet the Price Control Bill which was introduced last Aug. 1 is still bogged down, having been distorted into a scheme for further boosting farm prices, and all the evidence suggests that Congress expects to continue to stall on this important question for a long time to come.

Federal Tax Liens Precede State's

Federal Judge William H. Holly of the Chicago district indicated in a ruling that tax liens of the Federal Government are superior to tax liens of the State government.

J. Albert Woll, United States attorney, attached considerable significance to the decision because, he said, it may set a precedent in cases in which the Federal and State Governments are disputing for first claims on the property of tax delinquents. The cases involve millions of dollars. The Supreme Court has not ruled on the matter, Woll said, and decisions in the lower courts conflict. The fourth Circuit Court of Appeals has ruled that the State's claims come first.

State Supervision Of Local Finance

Sponsored and partly financed by the Municipal Finance Officers Association of the United States and Canada, Dr. Wylie Kilpatrick has presented in "State Supervision of Local Finance," publication No. 79 of the Public Administration Service, the results of years of research by the author.

This 65-page pamphlet sells at $1.25 a copy, procurable through the above named service, located at 1313 East 60th Street, Chicago, Ill.

This pamphlet gives an over-all as well as a detailed picture of the present status of State supervision of local finances. The most important parts of this study are the basic comprehensive tables. They constitute checks lists of the many phases of the work of the State supervisory agencies, and will prove valuable to State supervisors of local finance and to local officials who desire to contrast what is done in their State with practices in other States. In addition, this publication will furnish a useful and somewhat comprehensive reference source for municipal bond men and other students of public finance. No matter what may be one's position in the controversy over how far State supervision should go, it is helpful to have at hand an inventory of the situation as it is today.

Oklahoma Dam Taken Over by U. S.

In an unprecedented action, the Federal Government last week took from the State of Oklahoma control of the $25,000,000 Grand River Dam, "to prevent financial and management difficulties of the Grand River Dam Authority from interfering with full use of the power" for national defense.

President Roosevelt directed the Federal Works Administrator to manage and operate the project which was financed by loans and grants through the Public Works Administration to the State-created authority.

Possession was taken, the FWA announced, under the Federal Water Power Act of 1935. It was the first time the President ever had exercised the emergency authority. The action was recommended by the FWA, the War Department and the Federal Power Commission.

New Mexico Utility Bond Ruling

The New Mexico Public Service Commission has announced that all municipalities in that State must submit to the State Comptroller proposals to buy, sell or lease public utilities or to issue or refund municipal utility bonds before the Commission will approve them.

This announcement was issued as general order number four and was accompanied by a joint statement from Commission Chairman G. S. Carter and State Comptroller C. R. Sebastian, which said:

"The effect of the general instructions issued by the State Comptroller and the general order adopted by the New Mexico Public Service Commission will be that the Commission will be advised at all times regarding those purely fiscal matters which are under the specific jurisdiction of the State Comptroller.

"We believe that the public interest will best be served by the type of co-operation and regulation these orders . . . will accomplish."

Ohio Municipal Revenue Bond Ruling

The Supreme Court of Ohio recently handed down a decision which is expected to clear the hurdles which have blocked the issuance of municipal utility revenue bonds up to this time, by clarifying legal technicalities. The cases came to the court on appeal from the Court of Appeals of Butler County and involved a municipal electric light and power project in Middletown, Ohio, for which an issue of $1,800,000 mortgage revenue bonds had been authorized by ordinance.

In the syllabus of the opinion it is stated that Sec. 12, Article 18 of the Ohio Constitution is self-executing and self-sufficient and utility mortgage bonds created and issued strictly within its terms are not affected by other parts of the Constitution or by the Uniform Bond Act (Section 2298-1 et seq. General Code).

Boston Offered Financial Plan

The Boston Municipal Research Bureau, in a bulletin issued last Saturday, offers a four-point program for city finances during the national emergency, especially prepared in view of a country-wide movement to gear local government into the national defense effort.

Proposing a broad program dealing with: (1) debt retirement; (2) outlays and improvements; (3) budget policy, and (4) post-war readjustment, the bureau asks taxpayers and public officials to work toward a policy equal to the demands and uncertainties of the present.

In pursuing its current program of debt reduction, Boston will conform with a general agreement that the near future should be a "time of rigorous debt curtailment and prompt discharge of municipal obligations," contends the Bureau.

N. Y. State Schedules Sale

An issue of $15,000,000 long-term serial bonds for grade crossing elimination will be offered for

The Comptroller of the State of New York
will sell at his office at Albany, New York
December 2, 1941 at 12 o'clock noon

$15,000,000.00
Elimination of Grade Crossings
Serial Bonds of the
State of New York

Dated December 3, 1941 and maturing as follows:
$375,000.00—Annually December 3, 1942 to 1981 inclusive
Principal and semi-annual interest June 3rd and December 3rd payable in lawful money of the United States of America at the Bank of the Manhattan Company, 40 Wall Street, New York City.
Exempt from all Federal and New York State Income Taxes.
Circulars descriptive of these bonds will be mailed upon application to
JOSEPH V. O'LEARY, State Comptroller, Albany, N. Y.
Dated November 25, 1941.

More MUNICIPAL News

The Tuesday and Saturday issues of the Financial Chronicle supply a great deal of additional news on state and municipal issues. If you are not already getting these, we will be pleased to send you complimentary copies. You may easily find that they suggest profit-making possibilities.

Illustrating our broad coverage of essential municipal information is the fact that the November 15th and 18th issues of the Financial Chronicle contained more than 250 individual items, covering a broad range of municipal news—bond elections, approvals, offerings, sales, public reofferings, legality, eligibility as investments and other related data. Send for the current issues if you are not already getting the Tuesday and Saturday Chronicle. They will be mailed entirely without cost or obligation—merely to acquaint you with the wealth of information they contain.

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these Bonds for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Bonds. The offering is made only by the Prospectus. This advertisement is published on behalf of only such of the undersigned as are registered or licensed dealers or brokers in this State.

New Issue

$25,000,000

Pacific Gas and Electric Company

First and Refunding Mortgage Bonds

Series K, 3%, due June 1, 1971

To be dated June 1, 1941 and to be due June 1, 1971

Price 105% and accrued interest

Copies of the Prospectus may be obtained only from such of the undersigned as are registered or licensed dealers or brokers in securities in this State.

Blyth & Co., Inc.

Harriman Ripley & Co. Incorporated
Smith, Barney & Co.
The First Boston Corporation

Lazard Frères & Co.
Dean Witter & Co.

Bonbright & Company Incorporated
H. M. Byllesby and Company Incorporated
E. H. Rollins & Sons Incorporated

November 25, 1941

sale by New York State next Tuesday, its third major financial transaction in the past fortnight, involving the borrowing of nearly $117,000,000.

It will be the twelfth sale of crossing-elimination bonds since 1925, when the voters authorized a $300,000,000 bond issue for this purpose. It will bring the total issue to $152,500,000.

The first issue for crossing elimination was sold Dec. 1, 1926, at a 4% interest rate. The last, sold Dec. 4, 1940, went at a coupon rate of 1½%.

Since, at the last election, the voters approved a State constitutional amendment making $60,000,000 of the original authorization available for highway and parkway construction, the amount remaining for future crossing eliminations is $87,500,000.

N. Y. State Sells Sinking Fund Bonds

State Comptroller Joseph V. O'Leary awarded on Tuesday in competitive bidding various blocks of New York State municipal bonds, aggregating $1,818,000, in the portfolio of the State Sinking Fund. Proceeds from the sale will be applied to paying the State's canal debt No. 6, due on Jan. 1, amounting to $5,100,000.

Eight different banks or investment firms received the award of certain of the 33 blocks of bonds. Of the total, $1,037,000 consisted of various registered bonds of New York City, maturing from 1944 to 1956 and carrying coupons ranging from 3½ to 4¼%.

Nine Housing Units Schedule Bond Sales

Officials of nine different local housing authorities will be in the market on Dec. 10 with long-term serial bonds, series A, in the aggregate amount of $7,672,000.

The Philadelphia Housing Authority will offer the largest single issue, consisting of $3,742,000 of serials, dated Jan. 1, 1942, and maturing from July 1, 1942 to 1971.

The remaining eight issues are all dated Jan. 1, 1942, and mature serially from July 1, 1942 to 1961. They consist of the housing authorities of the following cities: Newark, N. J., $1,920,000; Jacksonville, Fla., $675,000; Gary, Ind., $466,000; Cambridge, Mass., $266,000; Pawtucket, R. I., $193,000; Lawrence, Mass., $220,000; Danville, Ill., $136,000, and Henry Co., Ill., $54,000.

Secured by a pledge of revenues to be derived from operation of the projects and by annual contributions, equal to or greater than the maximum principal and interest requirements, to be made to the issuing authorities by the United States Housing Authority, these Series "A" bonds have so far commanded prices comparable with high-grade general obligation municipal credits.

Trend Of The Market

Because it points out with commendable brevity the direction in which the wind is blowing, insofar as tax-exempts are concerned, we take the liberty of quoting from Monday's municipal news bulletin, put out by Hemphill, Noyes & Co. of New York:

The most discussed, and possibly the most portentous, development in the municipal market last week was the rise in short-term rates. As long ago as Aug. 4 we noted the tendency and expressed the opinion that "the easing of short maturities could continue without affecting the price level of long-term municipals." We still hold the same opinion, but that aspect of the matter is completely overshadowed by the question of whether or not the divergence is the result of official manipulation. Standard and Poor's, in its Bond Outlook of Nov. 22, says:

"The recent rise in short-term rates has all the appearance of having been engineered . . . first, the Treasury's change of attitude toward rights values, then the raising of reserve requirements, and finally, enlargement of the supply of bills. The intention apparently has been to render this section of the market more attractive to commercial banks, so that these institutions will not be important bidders for the long-term issues which the Treasury hopes to sell primarily to so-called permanent investors."

Theoretically the funds of commercial banks, savings banks, and insurance companies are the property of citizens, but it becomes increasingly difficult for the officers of those institutions to exercise any important degree of judgment in the use of such funds.

Last week, short-term Governments were off; the week's 91-day Treasury discount bills were sold at .258% compared with .20% the week before. Early maturities of municipals felt the pressure. Today, the New York State Six Months' Notes were awarded at .30% and resold at .25%, compared with the block of Seven Months' Notes last August allotted at .20%, resold at .15%, and in some cases as high as .10%. The bids and reoffering scale for the $1,500,000 Massachusetts Airport Bonds, Oct. 1, 1943-47, sold at noon today, conformed to the new pattern. The high bid, successful by less than 7 cents a bond, was 100.34 for a .75% coupon. The reoffering scale ran from .30% to .65% and municipal men said it represented an average betterment in yield of about 20 basis points over what the issue probably could have been sold for a few weeks ago. At that time, in their opinion, the State could have sold .50% bonds at a slightly lower premium.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Dec. 1st

$4,440,000 Cincinnati, Ohio
On Feb. 27, 1940, this city sold an issue to a syndicate headed by the National City Bank of New York, and associates. The First Boston Corporation headed the second best group.

$2,000,000 Corpus Christi, Texas
In Oct., 1940, this city awarded bonds to a syndicate headed by the Equitable Securities Corp. of Nashville. The Ranson-Davidson Co. of San Antonio, and associates, entered the second best bid.

Dec. 2nd

$15,000,000 State of New York
A similar amount of bonds was awarded last June to a syndicate headed by the Chase National Bank of New York, which beat out the National City Bank of New York, and associates.

Dec. 3rd

$1,522,000 Tennessee, State of
Phelps, Fenn & Co. of New York headed the syndicate that was awarded an issue offered last April. Runner-up in the bidding was Farwell, Chapman & Co. of Chicago and associates.

Dec. 8th

$519,000 Scranton, Pa. (Sch. Dist.)
This district awarded bonds last December to a group headed by Fox, Reusch & Co. of Cincinnati. Runner-up was E. H. Rollins & Sons, Inc., and associates.

Dec. 10th

$7,672,000 USHA Local Units
Refer to remarks given under separate item above.

Dec. 29th

$3,944,000 Orleans Levee District, La.
Bonds were awarded by the district last April to a syndicate headed by R. W. Pressprich & Co. of New York.

Finds Third Quarter Net Slightly Higher

(Continued from First Page)

ventories were 35% higher than on Sept. 30, 1940, and half of this increase occurred in the September quarter. The inventories of companies producing durable goods showed a much sharper increase than those of companies producing nondurable goods.

The receivables of these companies, which had shown comparatively little change up to the end of the September, 1940, quarter, began to increase rapidly thereafter and on Sept. 30, 1941, they were 65% higher than on Sept. 30, 1940. The receivables of companies producing durable goods increased 69%, as compared with an increase of 42% in the receivables of companies producing nondurable goods.

Personnel Items

(Continued from Page 1204)

was Division Manager with headquarters in Pasadena.

(Special to The Financial Chronicle)
SAN DIEGO, CALIF.—**Ernest Willson Leppert** has joined the staff of **Searl-Merrick Co.**, San Diego Trust & Savings Building. Mr. Leppert was previously with Fox, Castera & Co., and R. C. Wade & Co.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Ferdinand Ward Strong** is now affiliated with **Davies & Co.**, Russ Building. Mr. Strong was formerly with Frank Knowlton & Co., and prior thereto with E. F. Hutton & Co., and Wm. Cavalier & Co.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF.—**Albert G. Boutes**, previously with Burney & Co., is now connected with **Sutro & Co.**, 407 Montgomery Street.

(Special to The Financial Chronicle)
ST. PETERSBURG, FLA.—**Harry S. Cook** is now connected with **W. H. Heagerty & Co.**, 18 Fifth Street, South.

(Special to The Financial Chronicle)
ST. PETERSBURG, FLA.—**William George Norman** has been added to the staff of **Merrill Lynch, Pierce, Fenner & Beane**, Florida National Bank Building.

WHISPERINGS

Eugene Grabenstatter of Trubee, Collins Co., Buffalo, N. Y. was at a convention dinner one night when the guest of the evening was called upon to say a few words. He rambled on and on and everybody was clearly becoming bored. Finally the guest concluded his oration and sat down amidst a smattering of applause. But no sooner did the speaker sit down than he turned irately to the Chairman and heatedly accused him of trying to break up his speech. The Chairman denied it. "All right," said the angry guest, "I didn't mind when you kept looking at your watch, but what was the idea of shaking it all the time and holding it to your ear as though you thought it had stopped running!"

If you live in New York and drive a car you don't have to have insurance after Jan. 1. But if you get into an accident you'll have to prove financial responsibility. Insurance rates are about the same in all companies depending on where you live. Mutual companies may, however, return dividends of 10% or so a year which would cut your rates. But—and here's the rub—if the company gets into a jam you as a stockholder may be slapped with an Irish dividend.

". . . . I see. Well, good-by," said **Leslie Croll of Merrill, Lynch, P. F. & B.**, as he hung up the phone. Then turning to us asked if we knew who was on the phone. No, we answered, we didn't. "Well," replied Les, "that was one of my lady customers just back from a successful trip from Reno. And from what she said I gather she feels like a new man."

U. S. Rubber will show about $4.75 for 1941, against $3.58 for last year. . . . Company's sales 40% ahead of last year though defense business is only 10% to 15% of total operations. . . . **U. S. Freight** has paid $1 but will declare another divvy sometime next month . . . to be 75¢ to $1. . . . **Anaconda** expected to show earnings of $5.25 to $5.50. . . . And specialist in **Commercial Credit** thinks stock has hit a low.

If you get any presents—or are thinking of giving any—made of transparent plastics (Lucite, Plexoglas, etc.), keep in mind that they burn. So ashtrays, cigarette cases and other such gadgets should be kept away from lighted matches.

A publicist for a liquor firm informs us that of the Mr. Bigs of the world, Winston Churchill drinks anything but water; Joseph Stalin is a cherry brandy fan; Chiang Kai Shek and the Japanese Emperor never touch alcohol; Hitler occasionally imbibes some kind of a brew from which most of the kick has been removed, and F. D. R. allows nothing stronger than 5% beer at his table. . . . There must be a moral in all this but we can't think of it.

Max (E. Lowitz & Co.) Pincus forwards the following: A drunk woke up in the hospital all swathed in bandages to see his pal standing near his bed. "What happened?" he asked weakly. "Don't you remember?" asked the pal. "We were at a party in a penthouse and you bet you could fly around the building like a bird." The patient shouted, "you're supposed to be my pal. Why didn't you stop me! . . . "Stop you, nothing," replied the friend. "I was betting on you!"

A dealer who wants to remain nameless forwards this bit of irony: A true politician is one who shakes your hand before election—and your faith after election.

A security salesman went out on the road and the only reports he sent to his home office were requests for additional expense money. One day his employer was in his office wondering if the salesman would get enough business to cover expenses, when the phone rang. It was the salesman explaining how he had run into an unusual situation and he needed more money. "I can't hear you," shouted the boss, "it must be a bad connection." Just then the operator plugged in and said, "there's nothing wrong with the connection. I can hear him perfectly." The employer shouted back, "O. K. then, you send him the money!"

Pacific Gas & Electric Bonds Oversubscribed

Blyth & Co., Inc., as head of the underwriting group which on Nov. 25 made public offering of $25,000,000 of Pacific Gas & Electric Co. 3% bonds, due in 1971, announces that the subscription books have been closed. The bankers report that the issue was substantially oversubscribed. The bonds were priced at 105 and interest and the borrowing comprises new money. Associated with Blyth & Co., Inc., are: Harriman Ripley & Co., Inc., Smith, Barney & Co., the First Boston Corp., Lazard Freres & Co., Dean Witter & Co., Bonbright & Co., Inc., H. M. Byllesby & Co., Inc., E. H. Rollins & Sons, Inc., Bankamerica Co., Mitchum, Tully & Co., Elworthy & Co., Brush, Slocumb & Co., Schwabacher & Co., and Weeden & Co.

Sao Paulo Pays On Bonds

City Bank Farmers Trust Co., New York City, announced on Nov. 25 that it has received funds to apply to payment of the Nov. 1, 1939 coupons of City of Sao Paulo, United States of Brazil, external 30-year 8% secured sinking fund gold bonds of 1922, due Mar. 1, 1952, at the rate of 13.325% of the dollar face amount of the coupons. Accordingly, payment of $5.33 per $40 coupon and $2.665 per $20 coupon is now being made at the offices of the bank, 22 William Street, New York.

Business Conduct Comm. For NASD In Chicago

CHICAGO, ILL.—The District Committee for District No. 8 of the National Association of Securities Dealers has appointed a business conduct committee for metropolitan Chicago. Members of the new committee are: Howard F. Allen, Central Republic Company, Chairman; A. S. Wiltberger, Blyth & Co., Inc.; Richard A. Kebbon, Stern, Wampler & Co., Inc.; Donald B. Nichols, Ryan-Nichols & Co.; and Rue Link, Link, Gorman & Co.

Kirchofer & Arnold Add Carmichael & Mattox

(Special to The Financial Chronicle)

RALEIGH, N. C.—Asa Barthalow Carmichael and William Reuben Mattox have become associated with Kirchofer & Arnold, Inc., Capital Club Building. Mr. Carmichael was formerly New York City manager for Scott, Horner & Mason, Inc., and was connected with Morgan Stanley & Co. and Day & Zimmerman, Inc.

NASD Announces Nominations For Board And Members Of District Committees

The National Association of Securities Dealers, Inc. announces that James Coggeshall, Jr., The First Boston Corporation and Clarence E. Unterberg, C. E. Hunterberg & Co., New York; Hagood Clarke, Johnson, Lane, Space & Co., Inc., Atlanta; Albert Theis, Jr., Albert Theis & Sons, Inc., St. Louis; and Joseph M. Scribner, Singer, Deane and Scribner, Pittsburgh, have been named for the Board of Governors of the Association to succeed Donald C. Bromfield, Garrett-Bromfield & Co., Inc., Denver; Arthur S. Burgess, Biddle, Whelen & Co., Philadelphia; George W. Davis, Davis, Skaggs & Co., San Francisco; Frank Dunne, Dunne & Co. and Perry E. Hall, Morgan, Stanley & Co., Inc., both of New York; John R. Longmire, I. M. Simon & Co., St. Louis; and Henry B. Tompkins, The Robinson-Humphrey Co., Atlanta, Ga. Elected candidates will take office on Jan. 16, 1942 when a chairman and vice-chairman of the Board will be chosen.

The following have been nominated to fill vacancies arising on the District Committees:

District No. 1—Waldo Hemphill, Waldo Hemphill, Inc., Seattle, to succeed Edmund F. Maxwell, Blyth & Co., Inc.

District No. 3—Arthur H. Bosworth, Bosworth, Chanute, Loughridge & Co., Denver, Malcolm F. Roberts, Sidlo, Simons, Roberts & Co., Denver, and Paul E. Youmans, Sullivan & Co., Denver, to succeed Gerald L. Schlessman, Brown, Schlessman, Owen & Co., William R. Owen, O'Donnell-Owen & Co., and William F. Nicholson, Harris, Upham & Co., all of Denver.

District No. 4—Dewey F. Gruenhagen, Thrall West Co., Minneapolis, William Mannheimer, Mannheimer-Caldwell, Inc., St. Paul, Joseph L. Seybold, Kalman & Co., Minneapolis, to succeed James MacRae, Blyth & Co., Inc., Minneapolis, G. M. Phillips, Caldwell-Phillips Co., St. Paul, and Robert J. Stallman, Wells-Dickey Co., Minneapolis.

District No. 5—George K. Baum, Baum, Bernheimer Co., Kansas City, Mo. and Harry A. Beecroft, Beecroft, Cole & Co., Topeka, Kans., to succeed Frederick H. MacDonald, Callender, Burke & MacDonald, Kansas City, and J. B. Snyder, Estes, Snyder & Co., Topeka.

District No. 6—Jack P. Brown, Dallas Union Trust Co., Dallas, and J. L. Mosle, Mosle & Moreland, Galveston, Tex., to succeed Thomas Beckett, Beckett, Gilbert & Co., Dallas, and Milton R. Underwood, M. R. Underwood & Co., Houston, Tex.

District No. 7—Firmin D. Fusz, Jr., Fusz-Schmelzle & Co., John D. McCutcheon, John D. McCutcheon & Co., Inc., A. B. Tilghman, A. G. Edwards & Sons, to succeed Walter W. Ainsworth, Metropolitan St. Louis Co., Albert Theis, Jr., Albert Theis & Sons, Inc., and Charles H. Stix, Stix & Co., all of St. Louis.

District No. 9—Porter King, King, Mohr & Co., Mobile, Ala., Macrery B. Wheeler, Wheeler & Woolfolk, Inc., New Orleans, La., Jo Gibson, Jr., Webster & Gibson, Nashville, Tenn., and Henry J. Blackford, A. M. Law & Co., Spartanburg, S. C. to succeed Rucker Agee, Ward, Sterne, Agee & Leach, Birmingham, Ala., Geo. H. Nusloch, Nusloch, Beaudean & Smith, New Orleans, Francis D. Schas, Bullington-Schas & Co., Memphis, Tenn., and W. W. Pate, McAlister, Smith & Pate, Inc., Greenville, S. C.

District No. 10—Arthur S. Sedley, The Bankers Bond Co., Louisville, George T. Lennon, George T. Lennon & Co., Columbus, Ohio, Neil Ransick, Charles A. Hinsch & Co., Inc., Cincinnati, Ohio, and Roderick A. Gillis, Gillis, Russell & Co., Cleveland, to succeed Fred L. Almsted, Almsted Bros., Louisville, Ky., Ewing T. Boles, Banc-Ohio Securities Co., Columbus, Harry R. Niehoff, Weil, Roth & Irving Co., Cincinnati, and Corwin L. Liston, Ledogar-Horner Co., Cleveland.

District No. 11—Harold C. Patterson, Auchincloss, Parker & Redpath, Washington, D. C. and Harry R. Piet, Jr., John D. Howard & Co., Baltimore, Md. to succeed Y. E. Booker, Y. E. Booker & Co., Washington, D. C. and Herbert W. Schaefer, Herbert W. Schaefer & Co., Baltimore.

District No. 12—David S. Soliday, Hopper, Soliday & Co., Philadelphia, William K. Barclay, Jr., Barclay, Moore & Co., Philadelphia, S. Davidson Herron, Mellon Securities Corp., Pittsburgh to succeed Holstein De Haven Fox, A. C. Wood, Jr. & Co., Philadelphia, Philip D. Laird, Laird & Co., Wilmington, Del., and Milton G. Hulme, Glover & MacGregor, Inc., Pittsburgh.

District No. 14—Roger B. Ray, Portland, Maine and Thomas A. West, Perrin, West & Winslow, Inc., Boston to succeed Donald O. Smith, Smith, White & Stanley, Inc., Waterville, Maine and B. Earle Appleton, Pearson, Erhard & Co., Inc., Boston.

Nominees for District No. 8 were previously reported in the Chronicle of Nov. 13 and of District No. 13 in the Chronicle of Nov. 20.

Sweepings

Twentieth Century Fund survey of 10 leading American industries reveals about one-third of their employees work under closed shop. . . . Farm implement manufacturers looking for high sustained demand and production based upon emphasis placed by the Administration on feeding Allies, the continuing shift of labor away from agricultural areas necessitating increased use of labor-saving devices and the political strength of the farm bloc. . . . 12 months ended Oct. 31, 1941, produced as many new industries on Baltimore & Ohio subsidiary lines as in best year during the past two decades, according to Pres. R. B. White. . . . Montgomery Ward cautious in its buying policy for next spring and summer. . . . Sears still buying heavily although not on tremendous scale of a year ago. . . . New York City Comptroller McGoldrick predicts practically no non-defense building in 1942. . . . What the soap makers are faced with—tallow up 75%, grease up 86% and cocoanut oil up 145%—the three main ingredients—90% of cocoanut oil comes from the Philippines. . . . Dividend payment in prospect on Mengel common. . . . Pre-Christmas sales high priced luxuries reported poor. . . . Further inflationary rise in commodity prices freely predicted by Washington economists. . . . Expecting public will feel first big civilian shortage impact January, February, March.

Revising Bethlehem Steel's net this year downward to around $9.50 and U. S. Steel's estimated net upward to around $11.50; also revising White Motors' 1941 net upward to around $4.75, Mack Truck to around $6-$6.50, United Aircraft to around $5.50-$6; Goodrich to around $7; Douglas Aircraft $25, Boeing $4.50-$5; Eaton Manufacturing $5.50, Spicer $9-$9.50.—*G. Y. Billard, J. R. Williston & Co.*

Write For Circular

A statistical analysis comparing the 5% convertible income debentures due 1953 of Consolidated Textile Co., Inc., and the 6% convertible income debentures due 1953 of Alabama Mills, Inc., has been prepared by Blair F. Claybaugh Co., 72 Wall Street, New York City. Copies of the circular, which presents an interesting situation, may be obtained from Blair F. Claybaugh Co. upon request.

N. Y. Attorney General Warns Dealers Funds For When Issued Deals Must Be So Used

The New York State Attorney General, John J. Bennett, has ruled that brokers using for their own account, even temporarily, funds deposited with them by customers for the purchase of "when, as and if issued" securities are acting illegally, and has directed Ambrose V. McCall, Assistant Attorney General, as Chief of the State Securities Bureau, to begin immediate enforcement of this opinion.

Mr. Bennett declared that when a dealer accepts cash from a customer to buy for the latter securities not yet issued, he actually acts as a broker "thereby creating a fiduciary relationship between himself and his customer." He stated that it had become "almost a regular practice" for dealers and brokers to use such deposits to finance their own business on stock market speculations, and while the practice is not forbidden specifically in the State business law, it was "obviously contrary to the plain rules of common honesty." The case of a Syracuse broker who is being prosecuted by the State for using customers' funds to lend to other customers, was cited by Mr. Bennett who added that "few, if any, of the customers realized that their money would be jeopardized by the risk of the dealer's own business and speculations."

Mr. Bennett instructed all assistant attorneys general throughout the State "to be on the lookout for practices of this nature, and to scrutinize all 'when, as and if issued' positions; to use care in ascertaining a true picture of the firm's financial position and its commitments in transactions of this kind, and to enforce strictly segregation of such funds for the specific purpose for which the broker or dealer received the same."

SEC Amends Rule

The Securities and Exchange Commission announced on Nov. 21 the adoption of a technical amendment to Rule N-5B-1 under the Investment Company Act of 1940. The amendment provides that Rule N-5B-1 shall be inapplicable to any company which has adopted a method of valuation permitted by Rule N-2A-1. The Commission's explanation follows:

> As was pointed out at the time of its adoption, Rule N-5B-1 was promulgated in order to simplify the computations which a management investment company must make in order to determine whether it is properly classified as "diversified" or "non-diversified." The rule represents an extension of the principles of computation for these purposes which are set out in Section 2 (a) (39) (A) of the Investment Company Act. Certain companies, however, in order to adjust their operations more readily to tax laws and to the requirements of certain State regulatory laws, employ a method of computation different from the basic statutory method. As to this latter group of companies, which operate under Rule N-2A-1, the provisions of Rule N-5B-1 are believed inappropriate. The amendment becomes effective immediately.

THE BOND SELECTOR

HIRAM WALKER-GOODERHAM & WORTS

New Serial Debentures for Short to Medium Term Investment

Hiram Walker-Gooderham & Worts, Ltd., a Canadian corporation, is a holding company which owns directly or indirectly various corporations engaged in the production of numerous alcoholic beverages. The principal subsidiaries include Hiram Walker & Sons, Inc., the American company, which owns and operates the largest whiskey distillery in the world at Peoria, Ill.; Hiram Walker & Sons, Ltd., which owns and operates a distillery at Walkersville, Ontario, across the river from Detroit. The principal product of this company is "Canadian Club" whiskey. Gooderham & Worts, Ltd., located in Toronto, is engaged chiefly in the production of industrial alcohol and is the largest Canadian producer of this product.

Another important subsidiary is Hiram Walker & Sons (Scotland), Ltd., which operates in Scotland three Scotch malt whiskey distilleries and a Scotch grain whiskey distillery. The latter, built in 1937 at Dumbarton, is the most modern and one of the largest whiskey distilleries in Europe. This company also blends Scotch whiskeys which are sold principally in the United States. Canadian Industrial Alcohol Co., Ltd., is a non-consolidated subsidiary operating two plants in Ontario which manufactures and sells alcoholic beverages principally in the United States markets.

The company's best known brands are "Canadian Club" Scotch whiskey, "London Dry Gin," "G. & W. Five Star" blended whiskey, and "Ballantine's" 10 and 17-year-old Scotch. Capacity in the United States is approximately 30,000,000 gallons and in Canada and Scotland 17,000,000 gallons (transposed from imperial to U. S. gallons). Thus, the ratio of United States distillery capacity to Canadian-Scottish capacity is about 65-35.

These $15,000,000 serial debentures, offered on Nov. 12, 1941, range in maturity from Nov. 1, 1942 to Nov. 1, 1956, with $1,000,000 principal amount maturing each year. Each series—that is, each of the 15-year maturities—carries a different coupon, ranging from 0.50% to 3.20%, each series being offered at par. Principal and interest are payable in U. S. funds. The net proceeds of the issue $14,737,500) are being applied toward (1) redemption of $3,822,000 4¼% convertible debentures of Hiram Walker & Sons, Inc., and (2) retirement of a substantial amount of outstanding bank loans incurred by both the parent company and by Hiram Walker & Sons, Inc. These bank loans on Nov. 7, 1941, amounted to $13,500,000. Consequently, if all funds available after redemption of the 4¼% convertible debentures are applied to bank loans, these should be reduced to about $2,600,000.

Approximately 90% of total consolidated net sales in the fiscal year ended Aug. 31, 1941, were made in the United States. Over the past five years, sales in the United States have ranged between 85% and 90% of total. Since the repeal of the Prohibition Amendment in the United States, consolidated sales have shown an uninterrupted growth. In 1934, sales were $21,000,000. In the fiscal year ended August 31, 1941, sales were $102,156,000, an increase of 31% over 1940. (Hiram Walker's sales increased 35%). After depreciation, income available for interest amounted to $11,665,000, an increase of 33% over 1940, thus showing a good control of costs. Fixed charge coverage on the then interest requirements was 19 times.

Giving effect to the issuance of these serial debentures, the combined capitalization will also include $7,063,000 4½% debentures of Hiram Walker & Sons (Scotland) Ltd., due 1953 (expressed in Canadian dollars), 560,818 shares of $1 cumulative preferred stock (no par) and 724,004 shares of common stock in addition to the bank loans previously referred to. What the total interest saving to the company may be by calling the 4¼% convertible debentures and retiring a substantial amount of bank loans is impossible to determine precisely. However, maximum interest requirements on the $15,000,000 serial debentures will be $341,700 in 1942, interest on the outstanding balance of $2,600,000 of bank loans should not exceed $78,000, which together with $317,000 for the Hiram Walker (Scotland) 4½s, 1953, brings the total to about $737,000. By the end of 1948, interest requirements on the serial debentures will be reduced by $105,500.

Assuming a maximum figure of $737,000 for overall interest requirements (which is probably not strictly accurate, but is at least the maximum figure), coverage of fixed charges over the past seven years would have been as follows on a consolidated basis (years ended Aug. 31st):

	——Three Ciphers Omitted——				
	Sales	Operating Profit	Depreciation	Available for Interest	*X-earned
1941	$102,156	$12,506	$841	$11,665	15.1
1940	78,679	9,558	811	8,747	11.8
1939	68,326	8,034	838	7,196	9.7
1938	67,201	9,253	651	8,602	11.6
1937	63,969	9,264	601	8.663	11.7
1936	54,729	6,715	518	6,198	8.4
1935	45,353	4,598	493	4,104	5.5

*Based on $737,000 maximum interest.

According to the last published balance sheet as of Aug. 31, 1941, in Canadian funds, net current assets totaled $35,275,000. Total current assets of $54,367,000 included $5,571,000 of cash and Canadian Government bonds, $14,041,000 of receivables and $34,755,000 of inventories. Current liabilities of $17,426,000 included $9,479,000 of bank loans, $5,023,000 of tax reserves and $1,643,000 of payables. Current ratio was 3.1 to 1. Giving effect to the issuance of these serial debentures, the current position will look even better inasmuch as bank loans will be reduced to less than $3,000,000, and adding back $1,000,000 of the serial debentures due in 1942, net current assets should register an appreciable increase. Net asset coverage of each $1,000 of funded debt outstanding should be better than 4 to 1.

As can be well understood, a substantial inventory during the present period is a necessity. Of the total inventory figure of $34,755,000, $27,302,000 represented "spirits including bottling materials in cased goods." A further breakdown reveals that of this latter amount, $10,150,000 is the value of 49,580 000 gallons (principally spirits in bond) in the United States and $11,500,000 is the value of spirits in Canada and Scotland.

From the points of view of a wide margin of interest coverage and net working capital position, these bonds appear amply protected. The war element obviously enters the picture as to he possibilities of damage to Scottish distilleries, availability of supplies and more particularly the shipping problem. Giving due weight to these factors, the serial debentures appear attractive as a short to medium-term investment.

Investment Trusts

(Continued from page 1207)

same period of 1940*. This increase was made **despite** the much heavier 1941 tax burdens. Under more normal circumstances, such a large rise in profits in the period of one year would have been greeted as an impressive evidence of prosperous conditions, with salutary effect upon stock prices and investor activity.

"There is no reason to minimize the importance of taxes upon the earnings of various industries and corporations. Like so many other charges against gross or net income, they affect different companies to varying degree. Taxes emphasize the importance of careful security selection. Some corporations can withstand them and yet increase earnings. Others will find the burdens so heavy as to impair earning power. It is one more factor — like priorities, allocations, material and labor costs—peculiar to these times which requires exhaustive analysis in relation to its effect upon specific companies. But, by and of themselves, the amount of income and excess profits taxes a corporation pays are still of less importance than the net results in profits available for the common stock."

*National City Bank of New York compilation.

From Calvin Bullock's **Bulletin.**

* * *

"Until recently, the increases in defense production have been accomplished largely through a greater utilization of industrial capacity. Further increases, however, at least until increased capacity is created, will be accompanied by a decrease in the production of certain consumers goods. This trend is discernible in the following table which gives the estimated breakdown of the Federal Reserve Board Index of Industrial Production as between production of armaments and related capital goods and production of non-defense goods:

	June, '40 Pts.	June, '40 Tot.	Jan., '41 Pts.	Jan., '41 Tot.	Sept., '41 Pts.	Sept., '41 Tot.
Armaments, etc.	10	8%	18	13%	40	25%
Civilian	111	92	121	87	120	75
Total	121	100%	139	100%	160	100%

"A continuation of the trend toward armament production at the expense of civilian requirements will bring serious problems to those companies that are not readily equipped to assist the defense program and whose normal operations will be hampered by a lack of sufficient materials. Such companies face severe curtailment in their operations or difficult readjustments in their business.

"Investors are likewise faced with the necessity of readjusting portfolios to meet the many serious problems presented in the transition from peace to war. This requires a detailed knowledge not only of securities but of the particular problems facing different businesses and industries."—**The Broad Street Letter** of the Broad Street Sales Corporation.

H. S. Hale Opens

OYSTER BAY, L. I., N. Y.—Herbert S. Hale is now engaging in a securities business from offices on Adams Street. Mr. Hale is currently interested in stock of Ore Reductions, Inc.

Addressing Service

As publishers of **"Security Dealers of North America,"** we have a metal stencil for every firm and bank listed in our publication, which puts us in a position to offer you a more up-to-the-minute list than you can obtain elsewhere.

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Our Reporter's Report

(Continued from First Page)

Pacific Gas Fast Mover

One underwriting a day like the Pacific Gas & Electric Company's offering of Tuesday would go far toward keeping the blues away from the investment banking field.

That offering of $25,000,000 of thirty-year Series K 3% bonds, priced at 105 and interest, proved the first "right-out-the-window" project in some time.

The bonds were snapped up quickly and moved to a premium coincident with news of closing of subscription books. Funds were slated to reimburse the company for expenditures already made and to defray in part the cost of further expansion under way in the system.

Philadelphia Electric Offering

In keeping with the views expressed by officials of several of the major life insurance companies, relative to competitive bidding, no tenders from that source appeared upon opening of bids for the $20,000,000 of 30-year Philadelphia Electric Company 2¾s on Monday.

Considering the quality of the bonds and, moreover, the size of the issue, it would not have surprised investment bankers had one or more of the life companies submitted a bid for the issue, since even those who are not altogether sold on participation in competing sales, reserved their "right" to enter the field on such occasions.

The successful banking group, which bid 103.4544 for the issue, and reoffered it on a 2.55% yield basis, found the market in a distinctly receptive mood. Only a small part of the total remained unsold at the end of the first day's offering and conditions pointed to a quick clean-up of the balance.

Playing The Field

The Public Service Company of Indiana, in setting up its refunding and consolidation project involving $65,000,000 of new securities, presumably seeks to keep everybody happy under the new order of things in the field of public utility financing.

The company filed on Monday with the Securities and Exchange Commission registration covering a proposed issue of the foregoing proportions.

It proposes that $42,000,000 of new 3⅜% new first mortgage bonds of Series D, with a thirty-year maturity, be sold to the general public, via the investment banking route.

At the same time $13,200,000 of 3⅜s, same maturity, known as Series C under the same mortgage are projected for sale to eight insurance companies.

And to round out its plan the company would borrow $10,000,000 from six banks and two insurance companies presumably on a serial basis.

Treasury Guessing Soon

The government bond group is sharping its pencils for the inevitable game of seeking to outguess the Treasury on its forthcoming December financing.

It is a little too early yet for even the most venturesome to hazard a guess what tack Secretary Morgenthau will take this time. But the boys should be hard at it next week.

For the moment about the only conjecture around suggests that he will again point up his offering for the consideration of what is referred to in the trade as the "big reserves," namely the banks and insurance companies.

Aerco Shows Advance—Statistical Study Available

For the first quarter of its fiscal year Aerco Corporation reported earnings of $54,812.49 before provision for Federal and State taxes. After a reserve for such taxes of $28,950,00 net earnings amounted to $25,862.49, equal to 14 cents a share on the 180,000 shares of stock oustanding.

September earnings reached a new peak of $27,109.67 before, and $11,559.67 after provision for all taxes, equal to 6 cents per share on the capital stock for that month. October shipments exceeded those of September by approximately 27% which indicates that per share earnings again rose to a new high.

Directors recently placed the stock on a regular quarterly dividend basis of 6¼ cents per share and declared two dividends; the first dividend of 6¼ cents payable Dec. 20th to stock of record Dec. 12th and the second payable Feb. 20th to stock of record Feb. 11th.

The company is working on a backlog of orders of approximately $1,000,000 for Douglas Aircraft Co., North American, Ryan, Vego, Vultee and other major aircraft manufacturers.

A complete statistical report on the company may be obtained from Barbour, Smith & Company, 210 West Seventh Street, Los Angeles.

Darby Now Partnership

The investment securities business of Darby & Co.. Inc., 1 Wall Street, New York City, is now being conducted as a partnership under the name of Darby & Co., it has been announced.

Megna Joining duPont

A. Philip Megna will become a partner in Francis I. duPont & Co. and Chisholm & Chapman, 1 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges.

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Tomorrow's Markets Walter Whyte Says—

(Continued from Page 1203)

tion was a joy ride; if not he went down the sewer with the rest. All this is history and if I don't put it as elegantly as history books the conclusions are the same.

* * *

I have always heard it said "There's nothing new under the sun," or to coin another cliche, "history repeats itself." So I didn't make it up. Somebody else said it first. So what? I'm not looking for an argument. In any case I went through all the musty relics of a bygone day to see if I could find any clues as to what to look for in the event inflation hit us hard as it did the Germans and the French. Well, after I got through I knew what other countries faced but I'll be drawn and quartered if I could get any ideas of what to expect in this country.

* * *

The most I could get was a kind of definition of inflation. It goes something like this: When it cost you more money to live than you make, and every increase in your income is outdistanced by the prices you pay the butcher, baker and candlestick maker so that you have to go without a number of things, then brother, you got inflation!

* * *

After that I began reading some of our own economists. Professor Kemmerer of Princeton writes, "Politically, inflation is the line of least resistance." Then along comes Dr. Anderson of the University of Southern California at Los Angeles and says, "The present situation is far more inflationary than was the situation in the last war." That last one scared hell out of me. So to make the picture perfect, Dr. Beckhart of the Chase National Bank concludes ". . . there is no perfect hedge against inflation." So there I was, anxious to do something to get in out of the rain, or at least find an umbrella, and the experts dolefully agree there is little to be done.

* * *

Years ago everybody said that if you did'nt want to buy common stocks then the way to protect yourself against inflation was to buy yourself a farm, warehouses full of bacon, or bushels of diamonds. So I got myself a farm, but all I get is bills, blisters, weekend guests and Japanese beetles. I don't like bacon; it gives me indigestion. I therefore concluded that the only thing to do was to buy common stocks and hope I picked the right ones.

* * *

But what were the right ones? Naturally it's nice to have a stock that pays, say 5%, goes up ahead of the market and makes a nice inflation hedge. That would be ideal. Well, I have been in the Street for more years than I care to tell about and I have still to find the ideal. The best I can do is to buy (or advise others to buy) such securities that by their action appear to be heading higher. If they pay anything, fine, but that isn't a requirement. All I want of them is that they act as well, if not better, than the market. Once it stops doing it I'm no longer interested in its romantic possibilities. Somebody else can have the romance. I'll take the cash. It may not be so good for the ego but it's a lot healthier on the bankroll.

* * *

So after all is said and written about inflation and how to protect against it the conclusion that appeals to me is to buy common stocks and hold them until they begin acting sour.

* * *

In case you don't know what sour or sweet applied to stock action is, I refer you to automatic signals — stop. I have advised buying certain stocks at certain prices. Accompanying this I have also given stops beyond which they should not be carried. From time to time I shall recommend additional stocks. So long as you buy them and remember the stops you won't be hurt much. You may even make some money and foremost you'll have an inflation hedge in a field you know about.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

H. Vaughan Clarke Indicted

The SEC and the Department of Justice have reported the indictment of H. Vaughan Clarke and Mark Godfrey, of Philadelphia; Irving Feinberg, Woodmere, L. I., and Prendergast-Davies Company, Ltd., for violation of the fraud section of the Securities Act of 1933 in connection with the sale to American Beverage Company of some 80,000 shares of stock of C. H. Graves and Sons Distillers, Inc., a Boston liquor rectifying concern.

The indictment, which also charged violation of Section 215 of the U. S. Criminal Code, was returned by a special Federal grand jury in Brooklyn which heard evidence for several weeks. The indictment alleged that the defendants defrauded American Beverage Company and its stockholders in the sale to that company of worthless stock of C. H. Graves and Sons Distillers, Inc., and certain other assets of Prendergast - Davies Company, Ltd., a New York liquor wholesale house controlled by Feinberg, in exchange for the assumption by American Beverage Company of all the liabilities of Prendergast-Davies Company, Ltd.

According to the indictment, the defendants were able to purchase the controlling stock interest in American Beverage Company for $250,000 by getting two large distilling corporations to extend credit on liquor sold to Prendergast - Davies Company, Ltd., which credits were thereafter assumed and paid by American Beverage Company. False representations were made concerning the worth of the 81,421 shares of stock of C. H. Graves and Sons Distillers, Inc., and false financial statements of Prendergast-Davies Company, Ltd., were used in effectuating the transaction, the indictment alleged. After the defendants were able to install a new board of directors of American Beverage Company who accepted the deal, the indictment alleged, they filed false reports with the SEC and the New York Curb Exchange.

The Commission has ordered a hearing at its office in Philadelphia on Dec. 10th at 10.00 a.m., on the question of revocation and suspension of the registration of H. Vaughan Clarke as a dealer and suspension or expulsion from the National Association of Securities Dealers, Inc., in connection with certain allegedly fraudulent and manipulative transactions in securities of Kinsey Distilling Company.

"Petroleum on Parade"

An attractive booklet entitled "Petroleum on Parade — The March of Civilization" has been compiled by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. The booklet, attractively illustrated, discusses the place of oil in the world of today, shows interesting diagrams of oil wells, gives tables of crude oil production and describes what oil royalties are.

Copies may be obtained from Tellier & Company on request.

UP-TOWN AFTER 3

NEW PLAYS

"Spring Again," with Grace George and C. Aubry Smith, supported by Joseph Buloff, Ann Andrews, Robert Keith and John Craven. Presented by Guthrie McClintic at Henry Miller's Theatre, New York.

An amusing story of the Carter family who live under the shadow of the departed General Carter, who according to his son (C. Aubry Smith), won the war single handed, an opinion not shared by Nell Carter (Grace George), who remembers the general as an iron handed tyrant who didn't approve of her marriage to his son. It isn't until Mrs. Carter starts to help her granddaughter's husband, a radio writer, that the memoirs of the general come to use. A new radio program dramatizing the life of the general, goes on the air, a situation that brings Hollywood into the picture. They want the screen rights. It is these negotiations that bring on Joseph Buloff, the movie tycoon who wants to buy them. Unfortunately Mr. Buloff is on for only a few moments but during his brief appearance he sets the audience into gales of laughter.

"Ring Around Elizabeth." Jane Cowl in a new comedy with McKay Morris, Herbert Yost and others. Presented by Allen Boretz, William Schorr and Alfred Bloomingdale, at the Playhouse, New York.

A long winded heavy handed comedy of a household full of self centered people who rub everybody raw. The husband is dull; one of the daughters is in love; another is too wise for her years; an antique collecting mother; a fire fighting father-in-law; a domineering cook and other people all running after a legacy that Elizabeth (Jane Cowl) has received. So Elizabeth gets amnesia to escape from her realities. She goes back 20 years and as a girl makes a play for her daughter's young man and also avails herself of the chance to tell off certain members of her family.

"Keep 'em Flying" (Universal), with Abbott and Costello; Martha Raye, Carol Bruce and others. Directed by Arthur Lubin.

A completely amusing farce in which the team of Abbott and Costello run true to form. The only times the picture drags is when the plot is stressed. It's about the air corp; a wise guy stunt aviator; a weak brother; a night club singer who joins the USO and their life at the flying field. Miss Bruce is excellent when she sings but not when she acts. Martha Raye has a grand role and plays it up to the hilt. However, that zany pair, Bud Abbott and Lou Costello, are still the funniest pair on the screen. It's a picture to see, not because of it's message but for it's belly laughs.

"Two Faced Woman" (MGM). Greta Garbo, Melvyn Douglas, Constance Bennett, Roland Young and Ruth Gordon. Directed by George Cukor.

The first part of the story is dull; the second is fast and at times amusing. Miss Garbo, a ski instructor meets Melvyn Douglas, a magazine publisher and they get married. But he goes off to New York to attend to his business and she refuses and remains behind. He takes up with a playwright (Constance Bennett)—who incidentally steals every scene she is in—and Miss Garbo follows him but husband doesn't know it. She finally meets him and pretends she is twin sister of his wife. He falls for "twin" and goes back to wife to seek divorce. The dialogue is amusing; the situations are different, but I don't share the general admiration for Miss Garbo.

"They Died With Their Boots On" (Warner). Errol Flynn, Olivia de Havilland and a host of others, including Hattie McDaniel, who played the colored mammy in "Gone With the Wind."

A preposterous story of how Custer won the Civil War all by himself. Leaving West Point with the worst marks in the annals of the Academy he comes out a lieutenant and through some error is elevated to the rank of brigadier general. According to the movie Custer finds himself in Dakota where he organizes a crack regiment but due to political influence is almost cashiered out of the Army. However, being the indomitable soldier that he is he triumphs over his enemies even though he loses his life in the attempt.

ABOUT-THE-TOWN

If you're entertaining guests in your office and want a place to lunch I suggest the **Cafe Savarin (120 B'way).** It has everything that up-town restaurants boast of; cocktail rooms; pine paneled dining rooms; even a cafeteria where prices are quite reasonable. . . . For dining on Italian food that has no peer I suggest **Leone's (239 W. 48th).** From its antipasto to its dessert, its food is everything you ever hoped for. . . . **48th St. Music Hall (124 W. 48th),** a barn like room, with waitresses, opened last week with a zany orchestra from the Middle West, which does about everything. It's a place to have fun if you are in the mood. The entertainment is wacky but really funny.

W. Moore To Represent Columbian Securities

DALLAS, TEX.—Wilmer L. Moore has become associated with the Columbian Securities Corporation, Milam Building, San Antonio, Texas, as their Dallas representative. Mr. Moore was formerly in the investment business in Dallas as an individual dealers and prior thereto was manager of the bond department of the Dallas Union Trust Company and was with the Harris Trust & Savings Bank of Chicago. Mr. Moore may be reached at present at P. O. Box 1021, Dallas.

Another $7,000,000,000

President Roosevelt asked Congress on Nov. 17 for $6,687,360,046 additional for the War Department, of which the largest single item is $3,719,883,246 for ordnance. At the same time the President requested $308,050,000 for the Navy and $15,000,000 for defense housing. The Navy request included $120,000,000 for defense installations on merchant vessels. Other large items in the Army estimate were: $779,064,000 for the Air Corps; $388,000,000 for expediting production of defense equipment; $269,000,000 for the Philippine Army, and $256,709,000 for the Signal Corps.

Calendar of New Security Flotations

OFFERINGS

AIRPLANE MANUFACTURING & SUPPLY CORP.

Airplane Manufacturing & Supply Corp. registered with SEC 69,000 shares common stock, $1 par

Address—Lockheed Air Terminal, Burbank, Cal.

Business—Purchase, service and sale of airplane equipment

Underwriters—G. Brashears & Co., Los Angeles, Cal.

Offering—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale Underwriting commission on the 86,233 shares of 25 cents per share

Proceeds will accrue to the selling stockholders

Registration Statement No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

Effective—3 p.m. E.S.T. Sept. 17 as of 4.45 p.m. Sept. 6. 1941

Offered Nov. 10, 1941, at $1.25 per share

MARSHALL FIELD & CO.

Marshall Field & Co. registered with SEC 230,000 shares of no par common stock.

The number of shares offered was reduced to 135,000, comprising 122,000 shares from the holdings of Marshall Field III and 13,000 shares from the holding of Barbara Field Bliss.

Address—222 N. Bank Drive, Chicago, Illinois.

Business—Consists of ownership and operation (a) of department stores distributing high quality merchandise, (b) of various textile and floor covering mills whos products are distributed in bulk, and (c) of The Merchandise Mart and other real estate in Chicago.

Underwriters—By amendment number of shares underwritten are as follows: Glore, Forgan & Co. and Lee Higginson Corp. 50,625 shares each; Shields & Co., 33,750 shares

Offering—The 135,000 shares are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders

Registration Statement No. 2-4883. Form A-2 (11-12-41).

Offered Nov. 26, 1941, at $14.50 per sh.

MUTUAL TELEPHONE CO.

Mutual Telephone Co. registered with SEC 100,000 shares capital stock, $10 par.

Address—1128 Alakea St., Honolulu, Oahu, Territory of Hawaii.

Business—Company is an independent public utility furnishing telephone service on the Islands of Oahu, Hawaii, Maui, Kauai, and Malokai, Territory of Hawaii, adio telephone service between said Islands and certain ships at sea, and also wireless telegraph service between Oahu, Lanai, Hawaii, Maui and Malokai.

Underwriters—There is no underwriting in connection with this offering.

Offering—Company is offering the 100,000 shares for subscription at $10 per share to its stockholders of record Oct. 15, 1941, by offering one share for each 4 shares then held. Subscription offer expires Dec. 20, 1941. Full shares of such stock, representing fractional interests and also shares called for by warrant to be issued to stockholders, which are not exercised, will be sold at public auction in Honolulu to highest bidder therefor not later than Dec. 27, 1941, and proceeds from the auction sale in excess of $10 per share (after deduction expenses of auction) will be distributed pro rata to stockholders of record Oct. 15, 1941, whose fractional interests are disposed of and to holders of unexercised warrants.

Proceeds to prepay outstanding short term bank loans, additions to plant and equipment, working capital.

Registration Statement No. 2-4855. Form A2. (10-6-41)

Effective—4:45 P.M., E.S.T., on Oct. 17, 1941.

Offered—Warrants marked Nov. 5, 1941

PACIFIC GAS & ELECTRIC CO.

Pacific Gas & Electric Co. registered with SEC $25,000,000 first and refunding mortgage series K 3% bonds, due June 1, 1971.

Address—San Francisco, Cal.

Business—Operating gas and electric utility company.

Underwriters—Blyth & Co., Inc., is named principal underwriter.

Offering—The bonds will be offered to the public at a price to be supplied by amendment to registration statement.

Proceeds will be used to reimburse company's treasury for moneys expended for capital purposes, such treasury funds to be used for construction and working capital.

Registration Statement No. 2-4884. Form A-2 (11-12-41 San Francisco)

Effective 4:45 p. m. E.S.T. on Nov. 24, 1941

Offered Nov. 25, 1941, at 105 and int.

PENNSYLVANIA-CENTRAL AIRLINES CORP.

Pennsylvania-Central Airlines Corp. registered with SEC 75,000 shares $1.25 cumulative convertible preferred stock, no par; and 150,000 shares of common stock, $1 par, latter to be reserved for issuance upon exercise of the conversion privilege of the convertible preferred stock.

Address—Allegheny County Airport, Pittsburgh, Pa.

Business—Engaged in the air transportation of passengers, mail and express, over certain routes authorized by the Civil Aeronautics Board.

Underwriters and the number of shares of the preferred stock underwritten by each, are as follows:

White, Weld & Co., New York	17,300
Carl M. Loeb. Rhoades & Co., N. Y.	17,300
Cohu & Torrey, New York	8,000
Auchincloss, Parker & Redpath, N.Y.	7,000
O'Brian, Mitchell & Co., Buffalo	7,000
Kay, Richards & Co., Pittsburgh	6,500
Stern, Wampler & Co., Inc., Chicago	4,300
Stroud & Co., Inc., Phila.	4,000
Mackubin, Legg & Co., Baltimore	3,600

Offering—The 75,000 shares of preferred stock will be offered to the public at $25 per share; underwriting commission is $2.25 per share.

Proceeds—$1,429,571 will be applied to pay off company's outstanding bank loans, including premium and interest; balance of $247,946 will be added to working capital.

Registration Statement No. 2-4888. Form A-2 (11-15-41).

Effective 4:45 p. m. E.S.T. on Nov. 24, 1941

Offered Nov. 25, 1941, at $25 per share

PHILADELPHIA ELECTRIC CO.

Philadelphia Electric Co. registered with SEC $20,000,000 of First and Refunding Mortgage 2¾% bonds, due Dec. 1, 1971

Address—1000 Chestnut St., Philadelphia, Pa.

Business—This subsidiary in the United Gas Improvement Co. holding company system, is engaged primarily in production, purchase, transmission, distribution and sale of electricity and gas in southeastern Pennsylvania, including Philadelphia and vicinity

Underwriting and Offering—The bonds will be sold under the competitive bidding rule U-50 of the SEC's Public Utility Holding Company Oct of 1935

Proceeds—$20,000,000 of the net proceeds from sale of the bonds will be applied to pay company's presently outstanding $20,000,000 of 1½% promissory notes payable to banks. Remainder of net proceeds will be used to reimburse, in part, company's treasury for additions, extensions, batterments and improvements to its plants and property

Registration Statement No. 2-4863. Form A2. (10-17-41)

Effective—4.45 p. m., E.S.T., on Nov. 7, 1941

Bids were received by the company at Edison Bldg., 900 Sansom St., Philadelphia, up to 1 p. m., E.S.T., on Nov. 24, 1941

Awarded to syndicate headed by Mellon Securities Corp.

Offered Nov. 26, 1941, at 104.176% and interest

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

TUESDAY, DEC. 2

FLINTKOTE CO. (THE)

The Flintkote Co. registered with SEC 35,000 shares common stock, no par.

Address—30 Rockefeller Plaza, New York, N. Y.

Business—Directly or through subsidiaries, engaged in manufacture and sale of various asphalt and asbestos-cement roofing and siding products, structural and decorative insulation board products, asphalt emulsions, chipboards and boxboards, solid and corrugated containers, set-up and folding boxes, dry and saturated felts, rubber compounds and allied products.

Underwriters—None.

Offering—The 35,000 shares of common stock will be reserved for issuance by company to certain officers and employees of company and its subsidiaries from time to time, at not less than the then prevailing market price for company's common stock.

Proceeds will be applied toward, or will be used to reimburse company for expenditures made in connection with, construction or acquisition of additional felt mill facilities in Vernon, Cal.

Registration Statement No. 2-4885. Form A-2. (11-13-41)

MIDWEST TOOL & MANUFACTURING CO.

Midwest Tool & Manufacturing Co. registered with SEC 50,000 shares common stock, $1 par.

Address—Detroit, Mich.

Business—Manufacturer of precision cutting tools, etc.

Underwriter—Keane & Co.

Offering—The 100,000 shares will be offered to the public at $2 per share. Of the shares registered, 27,125 shares are to be offered for the account of the company, and the remaining 22,875 shares (already issued and outstanding) will be offered for the account of two selling stockholders.

Proceeds to company from sale of the 27,125 shares will be used for payment of outstanding bank loans, final installment on sales contract, and the balance for working capital.

Registration Statement No. 2-4886. Form S-2 (New form) (11-13-41 Cleveland).

THURSDAY, DEC. 4

MOBILE GAS SERVICE CORP.

Mobile Gas Service Corp. registered with SEC $1,400,000 first mortgage bonds, due Dec. 1, 1961 (interest rate to be supplied by amendment), and 6,000 shares 6% cumulative preferred stock, $100 par.

Address—162 St. Francis St., Mobile, Ala.

Business—An operating utility subsidiary of Consolidated Electric & Gas Co., company furnishes natural gas service at retail in Mobile, Ala., and vicinity.

Underwriting and Offering—The bonds and the preferred stock will be sold by company under the competitive bidding Rule U-50 of the SEC's Holding Company Act, as soon as practicable after the registration statement shall have become effective. Names of the underwriters and public offering prices will be supplied by amendment.

Proceeds will be applied as follows: To the redemption, at 100 and accrued interest, of the outstanding $876,700 of first mortgage 5% bonds of 1956, the outstanding $637,750 of first mortgage income bonds series A (9%) of 1956, and the outstanding $236,950 of first mortgage income bonds series B (7%) of 1956; balance of $75,000 will be used to establish a construction fund to provide for acquisition or construction of additional property.

Registration Statement No. 2-4887. Form A-2 (11-15-41).

SUNDAY, DEC. 7

NORTH SHORE GAS CO.

North Shore Gas Co. registered with the SEC $3,700,000 of first mortgage series A bonds, due 1961, and $700,000 serial notes due $50,000 semi-annually in 1942-1948, inclusive. Interest rates and maturity dates will be supplied by amendment

Address—211 Madison St., Waukegan, Ill.

Business—This public utility company is engaged principally in the production, distribution and sale of gas for heat, light, power and other purposes; gas sold consists partially of water gas and partially of coke oven gas. Territory served comprises 270 sq. miles, including all of the communities situated along the shore of Lake Michigan from the Illinois-Wisconsin State line on the north to the south boundary of Winnetka, Ill., on the south

Underwriters—Central Republic Co., Chicago, is named principal underwriter; names of other underwriters will be supplied by amendment

Offering—The bonds and notes will be offered to the public, at prices to be supplied by amendment.

Proceeds, plus other funds of company, will be applied to payment, at 100 and accrued interest, of the $4,604,000 of joint first mortgage 4% Series A bonds, due Jan. 1. 1942, of company and North Shore Coke & Chemical Co.

Registration Statement No. 2-4889. Form A2. (11-18-41)

TUESDAY, DEC. 9

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

RAILROAD EMPLOYEES CORP.

Railroad Employess Corp. registered with SEC $750,000 5% convertible sinking fund debentures, due Dec. 1, 1956; and undetermined number of shares $1 par class A common stock, reserved for issuance on conversion of the debentures

Address—155 E. 44th St., N. Y. City

Business—Through subsidiaries, engaged in the "small loans" business in New York and New Jersey

Underwriters—E. H. Rollins & Sons, Inc., New York, is principal underwriter; others to be named by amendment

Offering—Debentures will be offered to public, at price to be supplied by amendment

Proceeds will be added to general funds, and used in part to reduce bank loans and commercial paper

Registration Statement No. 2-4891. Form A2. (11-19-41)

THURSDAY, DEC. 11

DIVERSIFIED FUND CORP.

Diversified Fund Corp. registered with SEC 1,000 certificates representing Diversified Fund Trust Shares, dividend into Capital Shares, Income Shares and Installment Shares, aggregate amount of which is not to exceed $2,000,000

Address—608 Sunshine Bldg., Albuquerque, N. M.

Business—Investment trust.

Underwriter—To be offered by company.

Offering—The 1,000 certificates are to be offered at not exceeding an aggregate of $2,000,000.

Proceeds for investment purposes

Registration Statement No. 2-4892. Form C1. (11-21-41)

FRIDAY, DEC. 12

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

AUTOMATIC TELEPHONE DIALER, INC

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock no par

Address—1201 East Grand Street, Elizabeth, N. J.

Business — Development of automatic telephone dialing devices

Underwriter—None. Stock will be sold through registered brokers and dealers

Offering—Public offering price, $3 per share, underwriting commission 75 cents per share

Proceeds—For engineering and development expenses and working capital

Registration Statement No. 2-4752. Form A-1. (5-5-41)

Effective but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22, as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

CAROLINA TELEPHONE & TELEGRAPH CO.

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

Address—122 St. James St., Tarboro, N. C.

Business—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

Underwriters—There is no underwriting involved in connection with this financing

Offering—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

Proceeds to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

Registration Statement No. 2-4875. Form A2 (11-4-41)

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co. and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk.
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Calendar of New Security Flotations

Offering Deferred—Company announced Nov. 17 that the offering of the securities has been postponed for the present.

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

CONSOLIDATED AMUSEMENT CO., LTD.

Consolidaaed Amusement Co., Ltd., registered with SEC 50,000 shares common stock, no par

Address—Honolulu, Hawaii

Business—Engaged in exhibiting motion pictures in theatres owned or operated by it on the Islands of Oahu, Hawaii and Kauai in the Territory of Hawaii and of distributing motion pictures for exhibition purposes to other exhibitors on the Islands of Oahu, Hawaii, Maui, Lanai, Molokai and Kauai in the Territory of Hawaii

Underwriters—None

Offering—The shares will be offered for subscription at $10 per share pro rata to holders of common stock of record Oct. 15, 1941, on a one for three basis, through warrants, exercisable up to and including Dec. 27, 1941. Unsubscribed portion of such 50,000 shares will be sold at public auction in Honolulu. There is no underwriting in connection with this offering. Of the 50,000 shares so offered, 33,813 shares will upon their issuance be subject to the Voting Pool Agreement, as extended to April 15, 1950

Proceeds will be used to redeem, on Dec. 10, 1941, the outstanding 6% Series A cumulative preferred stock of company

Registration Statement No. 2-4880. Form A2. (11-7-41)

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

Consolidated Amusement Co., Ltd., also filed registration statement with SEC covering voting trust certificates to be issued for a maximum of 33,813 shares of common stock, no par, registered above (2-4880)

Registration Statement No. 2-4881. Form F1 (11-7-41)

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

Effective 4:45 p.m., E.S.T., on Nov. 15, 1941.

EATON & HOWARD BALANCED FUND

Eaton & Howard Balanced Fund registered with SEC 500,000 Trust Shares

Address—25 Federal St., Boston, Mass.

Business—Investment Trust

Offering—The shares will be offered to the public, at the market

Underwriters—Eaton & Howard, Inc., Boston

Proceeds—For investment

Registration Statement No. 2-4860. Form A2 (10-15-41)

Effective—4 p. m., E.S.T., on Nov. 5, 1941

ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value

Address — Stevens-Harle Bldg., Durant, Okla.

Business—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex.

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost. Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

INVESTORS MUTUAL FUND, INC.

Investors Mutual Fund, Inc., registered with SEC investment certificates representing an equitable interest in the following two classes of Special Stock of company: (I) Investors Diversified Fund: (a) 60 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each of Full Paid Certificates requiring aggregate payment of $500,000; (II) Investors Corporate Fund: (a) 600 units of $1,200 each of Monthly Payment Certificates without life insurance protection permitting aggregate payments of $720,000; (b) 400 units of $1,200 each of Monthly Payment Certificates with life insurance protection permitting aggregate payments of $480,000; and (c) 2,000 units of $250 each Full Paid Certificates requiring aggregate payments of $500,000.

The number of shares to be issued of the classes of Special Stock designated as Investors Diversified Fund and Investors Corporate Fund, respectively, are indeterminable in advance. However, shares of each class of Special Stock will be issued in such amounts as are necessary to meet the investment requirements of Investors whose Net Payments upon the Certificates covered by this registration statement will be applied to the purchase of such shares of Special Stock from time to time. The Shares will be first issued at $10 each, then at net asset value

Address—1016 Baltimore Ave., Kansas City, Mo.

Business—Investment trust

Underwriters—Investors Fund, Inc.

Proceeds for investment purposes

Registration Statement No. 2-4869. Form A1 (10-29-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction, development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines. Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse, Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

MARMON-HERRINGTON CO., INC.

Marmon-Herrington Co., Inc., registered with SEC 150,000 shares common stock, $1 par value

Address—1511 W. Washington St., Indianapolis, Ind.

Business—An outgrowth of the truck department of the former Marmon Motor Car Co., company is engaged in the manufacture, assembly, sale of heavy duty trucks, Ford conversion units, tracklaying tractors, military combat vehicles and other special military equipment. Unfilled orders of company totaled $23,712,126 on Oct. 20, 1941, of which a large portion are for track-laying military combat vehicles of various types, the production of which is just getting under way

Underwriting—All of the 150,000 shares registered are already issued and outstanding, and are to be purchased from three selling stockholders by Brown, Schlessman, Owen & Co., Denver, Colo., at $8 per share. Underwriter may form an underwriting group for the stock

Offering—The shares will be offered to the public at a price of $10 per share.

Proceeds will be received by the three selling stockholders

Registration Statement No. 2-4873. Form A2. (11-1-41)

Effective 12:20 p.m., E.S.T., on Nov. 14, 1941.

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅛ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,083⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅛ shares of preferred and 64,531⅖ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅖ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941 for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PACIFIC TELEPHONE & TELEGRAPH CO.

Pacific Telephone & Telegraph Co. registered with the SEC 656,250 shares of common stock, $100 par value.

Address—140 New Montgomery St., San Francisco, Calif.

Business—Company and its subsidiaries provide telephone service in about 650 exchanges in California, Nevada, Oregon, Washington and northern Idaho, including San Francisco, Oakland, Berkeley, Sacramento, Portland, Seattle, Spokane, Tacome, Los Angeles, San Diego and Pasadena. Company is controlled by American Telephone & Telegraph Co.

Underwriters—No underwriters named in registration statement.

Offering—The 656,250 shares common stock will first be offered by company to its stockholders of record Dec. 1, 1941, through warrants at a price of $100 per share. The warrants will expire on Dec. 31, 1941. The unsubscribed portion of such shares will later be offered to the public, at not less than $100 per share. Further details as to the offering will be supplied by amendment.

Proceeds will be used to repay advances from the parent company, and any excess is to be used for plant extensions, additions and improvements, and for working capital.

Registration Statement No. 2-4879. Form A2. (11-6-41-San Francisco)

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

PIERCE BUTLER RADIATOR CORP.

Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred

Address—701 Nichols Ave., Syracuse, N. Y.

Business—Engaged in manufacture and sale of heating boilers and radiators, steam heating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

Underwriters—None

Offering—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

Proceeds will be used for payment of certain outstanding bank loans and notes.

Registration Statement No. 2-4865. Form A1. (10-23-41)

ROHR AIRCRAFT CORP.

Rohr Aircraft Corp. registered with the SEC 200,000 shares of capital stock, $1 par value

Address—Chula Vista, Cal.

Business—Manufacture and sale of parts for aircraft pursuant to subcontracts with and purchase orders from Consolidated Aircraft Corp. and Lockheed Aircraft Corp.; parts manufactured are in following categories: cowling, power plant assemblies, boom doors and bomb rack adapters

Underwriting—Lester & Co., Los Angeles, Cal., is the sole underwriter

Offering—Of the 200,000 shares registered, 135,000 will be offered for the account of the company and the remaining 65,000 shares (already issued and outstanding) will be offered for the account of the owner thereof, Consolidated Aircraft Corp. Such 200,000 shares will be offered to the public at $4.40 per share; underwriting commission is 88 cents per share

Proceeds to company from sale of the 135,000 shares will be used as follows: $125,000 for contemplated advance payments to sub-contractors; $262,500 to discharge the unpaid portion of Federal income and excess profits taxes for fiscal year ended July 31, 1941; and $73,700 for increase of inventories

Registration Statement No. 2-4871. Form A1 (10-29-41—San Francisco)

SEVENTY-NINTH AND RACINE BUILDING CORP.

Lucius Teter, et al, voting trustees of Seventy-Ninth and Racine Building Corp., registered with SEC voting trust certificates for 2,961 shares of common stock, no par

Address—Trustees: 135 S. LaSalle St., Chicago

Business—The corporation owns and operates a commercial building consisting of stores, offices, and apartments, located at the southeast corner of 79th st. and Racine Ave., Chicago, Ill.

Offering—The voting trust certificates are to be issued to holders of corporation's common stock, under a proposal to extend the existing voting trust agreement, which terminates Nov. 23, 1941, to Nov. 23, 1951.

Registration Statement No. 2-4868. Form F1 (10-27-41)

SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

Address—Rushville, Ind.

Business—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

Offering — The preferred stock will be offered to public at a price to be supplied by amendment

Underwriter—Central Republic Co., Inc.,

Proceeds—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

Registration Statement No. 2-4830. Form A-2 (9-6-41)

1061 ROSEMONT AVE. BUILDING CORP.

Lucius Teter, et al, voting trustees of 1061 Rosemont Ave. Building Corp., registered with SEC voting trust certificates for 5,029 shares common stock, no par, of the corporation

Address—Chicago, Ill.

Business—Corporation owns and operates an apartment hotel building in Chicago, Ill.

Offering—The voting trust certificates are to be issued under a plan to extend the life of the existing voting trust agreement from Dec. 9, 1941, to Dec. 9, 1951

Registration Statement No. 2-4882. Form F1 (11-7-41)

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

UNITED FUNDS, INC.

United Funds, Inc., registered with SEC 300,000 shares of United Income Fund Shares; and $8,000,000 principal amount of Stock Purchase Agreements covering periodic payments toward the purchase of United Accumulative Fund Shares previously registered

Address—1420 Walnut St., Philadelphia, Pa. (executive office); Kansas City, Mo. (home office)

Business—Investment trust.

Underwriter—United Funds Management Corp.

Offering—The 300,000 shares of United

Income Funds Shares, will be offered to public at the prevailing market price

Proceeds for investment purposes

Registration Statement No. 2-4877. Form A1. (11-5-41)

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh, Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

WHITWORTH APARTMENT, INC.

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951; and $74,375 Second Mortgage Income Bonds. 6% Non-Cumulative Interest, due Sept. 1, 1961

Address—311 Securities Bldg., Seattle Wash.

Business—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment Seattle, Wash., and to own and operate said apartment

Underwriters—None

Offering—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

Registration Statement No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

WILLIAMS HYDRAULICS, INC.

Williams Hydraulics, Inc. registered 1,000,000 shares $5 par Class A common stock

Address—Alameda, Cal.

Business—Deep-sea dredging and manufacture of equipment therefor

Underwriters — Brown Hartwell Company

Offering—Public offering price, $5 per share, underwriting commission, $1 per share

Proceeds—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

Registration Statement No. 2-4133. Form A-1. (7-19-39)

Effective—May 29 as of April 18, 19

President Roosevelt Signs Road Bill, Urges Congress to Eliminate Non-Defense Items

President Roosevelt disclosed on Nov. 21 that he had signed the Federal Road Aid Act but only because it authorized appropriations for the construction of roads urgently needed for national defense. In letters to Senator McKellar (Dem. of Tenn.) and Representative Cartwright (Dem. of Okla), the President pointed out that the bill contained authorizations which do not represent "immediate requirements for our national defense" and requested that Congress eliminate them. Saying that the construction of access roads to military and naval reservations and defense industry sites and of flight strips for aircraft "represent immediate and genuine national defense needs,' Mr. Roosevelt took exception to the authorizations for the so-called strategic network of highways and bridges, for off-street parking facilities, for reimbursement to States for road repairs and for surveys and plans. The President signed the bill on Nov. 19.

Final Congressional action on the $170,000,000 road bill was taken by the Senate and the House on Nov. 6 when a conference report was adopted. The original Senate bill, passed on Aug. 15, called for $195,000,000 but the House on Oct. 21 reduced the total authorization to $170,000,000.

This is the second defense highway measure to be passed by Congress; the first one calling for $325,000,000 was vetoed by President Roosevelt on Aug. 4 (noted in these columns Aug. 9, page 767).

The text of the President's letter incident to the signing of the bill, follows:

> I have signed S-1840, the purpose of which, as described in its title, is to authorize appropriations for the immediate construction of roads urgently needed for the national defense. While that is a correct description of certain of the authorizations, there are others to which I do not think it may be appropriately applied.
>
> The authorization for the construction of access roads to military and naval reservations and defense industry sites upon certification of the Secretary of War or the Secretary of the Navy as to their military or naval necessity, is unquestionably an authorization for the construction of roads urgently needed for the national defense.
>
> The Secretaries of War and Navy regard this authorization of primary importance and urgency. The Secretary of War also places in the same category the authorization for the construction of flight strips for the landing and take-off of aircraft. Under these authorizations, estimates of appropriation may be submitted and appropriations may be provided, in such amounts and for projects in such areas as will best meet our defense needs.
>
> As to the other authorizations in the bill, I am advised by the Secretaries of War and Navy that they consider them of only secondary importance. I concur in the view that, in the light of present conditions, these authorizations cannot properly be regarded as urgently needed for the national defense.
>
> The authorization of $50,000,000 for the so-called strategic network of highways and bridges does not represent, as compared with the authorization for access roads, an immediate defense need. Moreover, one-half of the amount authorized would be apportioned among all the States in accordance with the distribution formula of the Federal Highway Act, a formula that disregards what should be the sole objective of this legislation, that of providing highway construction in those areas, and in those areas only, where there is immediate need of such construction in the interest of our national defense.
>
> Not only does this authorization provide for the expenditure of $25,000,000 regardless of immediate defense needs, but it requires the Federal Government to contribute 75% and the States 25% of the cost of such highways and bridges as against the existing Highway Act provisions for an equal share of the cost of such construction.
>
> The authorization also permits the expenditure on such highways and bridges — with the Federal Government paying 75% of the cost—of any funds heretofore or hereafter made available for the Federal highway system, including, in part, secondary or feeder roads, the amount of such funds at the present time being, I am advised, approximately $67,000,000.
>
> The remaining authorizations for off-street parking facilities, reimbursement to States for repairs to roads under certain operating conditions, and surveys and plans, fail to find, I think, satisfactory justification for enactment upon any ground that they are immediately required in the interest of national defense.
>
> In spite, however, of the objectionable authorizations which this bill contains, I have felt constrained to give it my approval because of the authorizations which it provides for the construction of access roads to military and naval reservations and defense industry sites and of flight strips for the landing and take-off of aircraft. These two authorizations represent immediate and genuine national defense needs and I do not think that I would be justified in taking any action that would further delay the accomplishment of these objectives.
>
> I wish, nevertheless, to express my earnest hope that the Congress may find early occasion, in studying our national defense needs and the ways and means of meeting them, to eliminate from this enactment the authorizations to which I have directed attention as not representing immediate requirements for our national defense.

Some Year-End Tax Considerations

The Government provides, and expects you to use, certain legitimate methods of reducing your tax. This year they are especially worthwhile. If your income before taxes is $5,000, a $1,000 net tax loss will save you the equivalent of as much as over 10 days work ($136). If your income is $50,000, a $10,000 tax loss will save you a maximum of over 10 weeks of work ($5,805).

Short-term gains (profits taken on securities held less than 18 months) are taxed at the full rate. If you have already established short-term profits and did not have a short-term loss last year (which may be carried over in full, but not in excess of your 1940 net income), it might be wise to take some offsetting short-term losses. Likewise, if you have taken short-term losses, or have a carry-over loss, these should be used by taking short-term profits. This has the added advantage of establishing a higher tax cost for your securities in computing future profits or losses.

Long-term capital gains and losses are divided into two classes, those taken on securities held over 18 months, but less than 24, and those from securities held over 24 months. If your net taxable income is under about $20,000, you are taxed at the regular rate on long-term gains, but you report only a fraction of the actual amount—66⅔% if held less than 24 months, and 50% if over. Losses are treated the same way and are a deduction from ordinary income. If your income is over $20,000 a year, you are taxed, or credited, 20% or 15% of the actual amount, depending on whether your securities were held less or more than 24 months. Thus, the argument formerly advanced by individuals with substantial incomes that they could not afford to take large security profits is not at all necessarily valid this year. Just as an example, suppose an individual has held 2,000 shares of United Aircraft for several years, and has 20 points or $40,000 profit. If he sells now, his tax would be $6,000. The latter is equivalent to a decline of only three points in the stock.

In reviewing your tax position, long-term paper gains and losses should be considered in three ways:

1. As an offset to completed trades.
2. As a reduction of ordinary income.
3. As a means of reducing future tax liability. With higher taxes next year almost a certainty, and with the continued relatively favorable treatment of long-term security profits most uncertain, we urge you to consider the advisability of taking profits this year at a cost of as low as 15% or 20%.

To establish a profit you may sell and re-buy immediately at the same price. "Wash sales" for this purpose are quite legal. To establish a loss, you may not *repurchase the same security for* 30 days, though you may purchase a similar one or another security of the same company.—*John H. Lewis, John H. Lewis & Co.*

SEC Allows Issuers To Designate Counsel To Act For Bidders In Competitive Cases

The Securities and Exchange Commission made public on Nov. 7 the following statement:

> In passing upon security issues offered for competitive bids, pursuant to the provisions of Rule U-50, promulgated under the Public Utility Holding Company Act of 1935, the Commission has observed that the respective issuers have designated counsel to act for bidders, with the provision that such counsel be compensated by the purchasers of the securities. In its opinion in the New York State Electric and Gas Corp. case (Holding Company Act Release No. 2807), the Commission stated that it was not convinced that this practice should be generally followed or commended. Accordingly, the Commission directed its staff to make a special study of the arrangement. A questionnaire was sent to investment bankers who have been members of bidding syndicates and to several life insurance companies.
>
> The preponderance of opinion, which was almost unanimous in the case of the large underwriters, favors the designation by the issuer of counsel to act on behalf of the bidders as the most practicable method of providing what they all regard as an essential service, and of avoiding the expense and confusion of unnecessary duplication of legal aids. Several of the firms admitted that it would be an improvement over the present method of appointing independent counsel, if a practicable means could be devised for choosing counsel who would be unassociated in any way with the issuer. In view of the fact, however, that most of the underwriters believe that the independent counsel should participate in the preparation of the various documents prior to filing, no practicable substitute for the present method of selection was forthcoming.
>
> The answers to the questionnaire indicate that the present practice has not led to a duplication of counsel representing the bidders. With respect to the problem of assuring that designated counsel would be acceptable to bidders, several of the letters stress the fact that issuers thus far have followed the practice of conferring on the subject of proposed counsel with the managers of the respective syndicates organized to bid on the proposed offering. Several underwriters express their belief that, since it is clearly in the interest of the issuer to appoint counsel fully acceptable to prospective bidders, issuers would, as a matter of course, take all necessary steps to insure designation of acceptable counsel.
>
> The majority of the life insurance companies which answered the questionnaire are of the opinion that the present method of selecting independent counsel to represent the bidders is not desirable. One or two of the companies object more strongly to the present practice than others. Most of the other companies take the position that they would prefer to select their own counsel, but they go on to say that they do not believe any other selection than by the issuer would be practicable.
>
> On the basis of its analysis of the replies to its questionnaire, the Commission has concluded that the existing practice of designation by the issuer of independent counsel to represent the bidders will be permitted to continue, but that adequate disclosure of such matters as the identity of the independent counsel and the proposed fees of such counsel to be paid by the successful bidders will be required and close scrutiny will be given to the reasonableness of such fees and to the relationship of the independent counsel to the issuer.

Australian War Loan Is Oversubscribed

The $325,000,000 (£100,000,000 Australian) cash and conversion loan was oversubscribed on the $110,500,000 cash portion by $20,000,000, it was announced in Canberra, Australia, Nov. 18, states the Australian News & Information Bureau, New York City. The cash loan was mainly earmarked for special war finance, the announcement said, pointing out that the oversubscribed amount will be accepted. Of the $237,000,000, maturing 4% loan, all but $22,000,000 was taken up at the 2½% short-term and 3¼% long-term rate. This represents a 90% conversion, it is pointed out, and further conversions are expected. The interest saving amounts to $1,625,000 annually.

SEC Renders Opinion On Indenture Trustees

The SEC made public on Nov. 14 an opinion of its General Counsel, Chester T. Lane, to the effect that a trustee under an indenture to be qualified does not have a conflicting interest under the Trust Indenture Act of 1939 solely by reason of the fact that it acts as trustee under another indenture for securities of an affiliate of the obligor. In announcing this the Commission said:

> The Act requires the Commission to issue an order refusing to permit the qualification of an indenture if the Commission finds that the trustee has a conflicting interest as defined in Section 310 (b). Section 310 (b) (1) provides that a trustee has a conflicting interest if it is trustee under another indenture under which any other securities of the obligor are outstanding. The opinion of the General Counsel is that the term "obligor" as used in the subsection does not ordinarily include persons affiliated with the obligor, and there is therefor no prohibition against trusteeship under indentures of both the obligor and an affiliate.

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G. L. Harrison Heads N.Y. Defense Bond Sale

George L, Harrison, President of the New York Life Insurance Company, has accepted the post of Chairman of the Finance Group of the Greater New York Committee for the Sale of Defense Bonds and Stamps, it was announced by Lewis W. Douglas, Chairman.

Former President of the Federal Reserve Bank of New York, Mr. Harrison is in charge of organizing in the field of finance, management and employee-committees for the voluntary sale and distribution of Defense Bonds and Stamps by the use of the Payroll Allotment Plan and by other methods. His groups cover insurance companies, banking and investment houses.

Under the Payroll Allotment Plan, all employees from the Chairman of the Board of Directors to the office boy are given the opportunity voluntarily to allot part of their salaries each pay period for the purchase of Defense Savings securities.

Mr. Harrison's first step, said Mr. Douglas, will be to enlist prominent leaders in each of the divisions under him to serve as directors in organizing approximately 250,000 persons employed in the field of finance in the Metropolitan area.

Orvis Brothers Opens New Washington Office

The New York Stock Exchange firm of Orvis Brothers & Co. has opened a new office in the Woodward Building, Washington, D. C., as a further step in its expansion program which began with the opening of an office in Columbus, Ohio, on Oct. 20. Charles B. Quarles, previously resident manager in Washington for Mackubbin, Legg & Company, who are simultaneously closing their Washington office, will be manager of the new Orvis Brothers branch, which will conduct a business in stocks, bonds and commodities.

To Hear Richard T. Wood

Richard T. Wood, manager of the fidelity department of the American Surety Company of New York and the New York Casualty Company, will deliver an address on "Frauds and Embezzlements" before the New Jersey Conference of Bank Auditors and Comptrollers at a dinner meeting to be held today at the Downtown Club in Newark, N. J.

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Our Reporter On "Governments"

Let's survey this increasingly critical situation in the short-term Government market objectively. . . . Let's analyze its implications—just as last week, we analyzed its causes. . . . And let's see what are the possibilities for (1) a continuation of the present downtrend in short-terms and (2) a slop-over of the weakness in short-terms into long-term Government obligations. . . .

To brief the argument at the start:

(1) The short-term market—including discount bills and Government notes—has been under steady selling pressure since mid-summer. The weakness lately has become obvious to all investors not only in Governments but in corporates and municipals, for these other markets are vitally affected by trends in the sensitive Government list. . . .

(2) Last week, for the first time, the selling pressure moved into the Government bond list. . . . Long-terms slipped off, not because of special incidents affecting this section of the market but because of the adjustments in short-term yields and the fears of investors that the decline in short-terms must be felt in the bond market. . . .

(3) At the moment, apprehension is widespread that a fundamental readjustment in interest rates is under way. . . . Professional traders are discussing the subject with more interest than at any time in recent years. . . Comparisons between the situation in early 1937 and now are being made. . . .

(4) And now the question is will this trend in short-terms continue and will investors be forced to make drastic changes in their portfolio policies as a result. . . .

The Government's Power

Before going into this discussion, there is one point that must be made clear, that must be understood by all potential and present holders of securities—Governments, corporates or municipals. . . .

And that point is:

The Government, through the Treasury and the Federal Reserve System, can do anything it wants to do with interest rates.

If it so desires, it can keep them at their lows of 1941, or make them go lower. . . .

If it so desires, it can permit a relatively minor increase in short-term rates and allow some reflection of this upward adjustment in the long-term market. . . .

It's unnecessary to go into great detail on these positive statements, for all investors know the power that lies in the Administration—as far as money control is concerned. . . . Through the gold hoard, or through manipulating reserve requirements "downward," or through heavy open market operations, or through maneuvers with the social security funds or through changes in bank borrowing rates, etc., etc., the Treasury and/or the Federal Reserve can work profound changes in the money market setup. . . .

The question, then, is not the ability of the Government to keep short-term money rates down. . . .

The question revolves around the willingness of the Government to keep the money markets where they are—or were a few weeks back. . . .

Eccles' Attitude

Between the end of 1937 and mid-1941, there were definite indications of a wide split between the two top monetary authorities of the Government—Marriner Eccles, Chairman of the Federal Reserve Board, and Henry Morgenthau, Jr., Secretary of the Treasury. . . .

The tug-of-war started with the Reserve Board's insistence on doubling reserve requirements back in the spring of 1937; as a result of that move, the Government market went through one of the most severe breaks in its history. . . . The reversal in that policy came only after great pressure had been brought to bear on the Board by Morgenthau and his supporters. . . .

Again and again, we received reports from Washington during the years of 1937, 1938, 1939 and 1940, indicating that Morgenthau and Eccles were divided on the issue of "power" and at odds on the question of the level of money rates. . . .

Not until the inflation bugaboo became so obvious that Morgenthau could no longer ignore it, did he and Eccles come together again. . . . Now, for months, we've heard stories that the two men are working together. . . . That they've resolved their issues of contention and are intent on just one thing: financing defense without inflation. . . .

Are the stories of renewed friendship true? . . . No one knows, apparently. . . . But if they are true, it's probable that the rise in short-term Government yields is by design, not by accident. . . . For Eccles is reliably reported to be in favor of jacking up interest rates—at least moderately. . . . His feeling is said to be that the present low level is unjustified, too difficult to control, dangerous in an inflationary period. . . .

Get out the newspapers of last Jan. 2. Read the special report presented to Congress on New Year's Day by the Federal Reserve System. . . . And study not only the following quotation, but the sentences surrounding it:

"Because of the excess reserves, interest rates have fallen to unprecedentedly low levels. Some of them are well below the reasonable requirements of an easy money policy, and are raising serious, long-term problems for the future well being of our charitable and educational institutions, for the holders of insurance policies and savings bank accounts, and for the national economy as a whole."

A rise in short-term rates to the 1% level is big in terms of dollar losses to investors, of course. . . . But it's not major to the Government's advisers—especially if they believe that by hardening rates slightly, they can encourage investments and help avert inflation. . . .

Whether this action is effective or not is for you to decide . . . This column, entirely on its own, believes action affecting the money markets is not nearly as important as action affecting prices directly, influencing sales of defense bonds, etc. . . . But that's a personal opinion. . . . If Morgenthau and Eccles agree on hiking interest rates slightly, why interest rates will be hiked and kept there—and that will be all there will be to that. . . .

No Break

Remember this, though. . . . There won't be a wide-open break in Governments unless the whole setup goes completely awry. . . . There's no reason to expect Morgenthau to let his market slip out from under him, when he's faced with billions of dollars of borrowing during the coming months and years. . . . There's no justification for thinking our Government's monetary authorities have forgotten the magnitude of the financing task ahead and the importance of a stable market to the successful carrying out of this Herculean job.

What we're seeing now may be a temporary decline in short-term prices or an adjustment that may become permanent after a while. . . . Either way, the adjustment can be taken care of without much trouble. . . . Either way, holders of long-terms may continue investing on the basis of other considerations (i. e., how many of the new issues they intend to buy, what maturity schedule is best for their institution, what cash demands and loan demands they anticipate, etc.).

In fact, now that the short-terms have dropped so substantially, it would be logical to expect a steadier market on technical considerations alone. . . . Certainly, the approach of the next financing is having something to do with the market's current unsettlement, anyway. . . . And that factor will be out of the way soon. . . .

Inside The Market

Big financing due in December, experts feel, despite fact that Morgenthau is raising $50,000,000 net weekly through sales of discount bills. . . .

Report is maturity of new issue may fall in intermediate range, adding another angle to recent weakness in shorts and intermediates. . . .

Most recent issue of Treasury bills was awarded at decidedly stiffer rates. . . . Highest since 1937, in fact. . . .

Talk around that Reserve Banks may establish special Treasury bill loan rate, to help establish Treasury bill as a money market instrument and to permit dealers to build up positions in them. . . .

Boost in premium rates by leading life insurance companies will permit these institutions to buy more Government bonds without worry. . . . One reason boost was not opposed by Government authorities, it is said. . . .

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A. O. Van Suetendael To Be Exchange Member

YONKERS, N.Y.—A. O. Van Suetendael will acquire the New York Stock Exchange membership of Clarence H. Young as of Dec. 4th. Mr. Van Suetendael is the senior partner of A. O. Van Suetendael & Co., 20 South Broadway; associated with him are Innes Getty and Elizabeth P. Van Suetendael.

Final Edition

THURSDAY

In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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On The Foreign Front

European Stock Markets

Upward tendencies were reported in recent sessions on all the leading European securities markets, the trend once again affording a sharp contrast to the dull and dispirited tone of dealings on our own side of the Atlantic. Daily reports from London and Amsterdam reflect steady buying of stocks in those centers, while delayed advices from other markets indicate much the same situation throughout the Continent.

There is, obviously, something of a flight from currency discernible in the upward progression of various equities in Europe. Far more than this is involved, however, since inflationary tendencies are universal and operate also in New York. Some reason exists for believing that the tide of government control and of "taking the profits out of war" has spent itself in Europe and now is receding, whereas America seems still to be moving toward ever greater regimentation.

Dealings on the London Stock Exchange were persistently cheerful late last week, and early this week. The military developments in Libya aided gilt-edged and other issues markedly. First indications that Mexican oil problems had been settled occasioned a temporary improvement in related stocks on the London market, but a reaction followed when full terms were disclosed. Issues of nearly all classes and types remained in demand in the first half of this week.

The Amsterdam market reflects fresh inquiry for stocks of companies domiciled externally. Domestic Dutch issues also appear to be well supported. French, German and Italian markets have been firm for weeks, and recent dispatches indicate continuance of this situation.

Mexican Agreement

Some strange principles are introduced into international affairs by a treaty between Mexico and the United States which was signed in Washington by accredited representatives of the two countries and published last Thursday. Under this weird document, the United States Government makes every conceivable sort of sacrifice for Mexico, including the sacrifice of the simplest interests of its own citizens. Mexico graciously agrees to accept huge sums from the United

(Continued on Page 1222)

FROM WASHINGTON
AHEAD OF THE NEWS

Mr. Roosevelt is perhaps the most powerful man in the world, except with his subordinates. Historians of the future, studying the tremendous hold which he had over people and his pitting that strength against the hold which Hitler had over his people, will marvel at the gap in Mr. Roosevelt's make-up which made it possible for the men working for him to bicker, conflict, embarrass him; indeed, to show far more independence of spirit than the millions of citizens who blindly followed him.

The story that brings this to mind is that of former Congressman Charles West of Ohio. In 1934, Mr. Roosevelt wanted terribly to defeat Vic Donahey of that State for the Senate. There was no apparent reason why he should have wanted to defeat Vic, except that Vic had a following of his own. Vic had sold himself to the Ohio voters over a period of years and established a livelihood in public office as "Honest Vic." Regardless of how the State was being run, Vic had a way of vetoing, as Governor, a little item of $2.75 in a State employe's expenditures, which made the voters say that Vic was "Honest Vic," notwithstanding that he had a trusty from the penitentiary working as his body servant. When "Honest Vic" aspired to the Senate there was no reason for Mr. Roosevelt to fear him, because Honest Vic was not a man to fear. Honest Vic was a man who believed in living and let live. But he did have a following which was not Mr. Roosevelt's following.

So Mr. Roosevelt and his fellow New Dealers insisted upon West, a former college professor who, to his amazement, had been elected to Congress but who seemed to have a good career ahead of him trying to head

(Continued on Page 1223)

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

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THE FINANCIAL SITUATION

For reasons which are not altogether clear the authorities, or perhaps, more accurately, the propaganda managers, of the United States, appear to have come to the conclusion that the time has arrived for centering the attention of the people of this country and, if may be, the peoples of the world generally, upon plans and programs for the post-war period whose beginning no one now can foresee. Possibly fearing that Hitler might "steal the spotlight," Washington leaders have for some weeks past been seeing to it that something was said on the subject at frequent intervals. Conversations, so it is said, have for some time been under way with the British. Various committees and other groups have been assigned tasks bearing on this subject, we are informed. From Berlin has now come the news that Hitler is calling a "conference" of various powers, apparently to lay the basis for what he hopes will be the "new order" in Europe after the fighting is over—a step concerning which Washington seemed to think is quite important to "warn" the American people some days in advance. Strange reports are seeping out of Washington concerning proposals and counter-proposals being set forth by the governments of Japan and the United States. Some of these rumors are almost certainly, we should suppose, without foundation while others may well have substance, but it is evident enough that more is under discussion than means of avoiding an immediate spread of war to the Pacific, which many a short time ago deemed inevitable, although none could explain why.

It is, of course, altogether fitting and proper that thought be given even now to post-war problems and to the tentative formulation at least of post-war international policies. Peace may be many long years away, or it may not. No one can say how long the cooler heads in Great Britain and the United States will feel it wise to continue to give profligately of their substance and even of their lives to ensure "utter destruction of Hitler and Hitlerism." Neither can any one say with assurance how long Germany can continue the titanic efforts she has been making, or how long she can hold millions of peoples spread over vast territories in shackles. The war may be nearer its end than most of us suppose, and its end must not catch us without carefully

(Continued on Page 1220)

A TANGLED WEB

Although we may never need a levy on capital in this country, it seems most unwise not to initiate now some temporary measures of conservation and direction of capital usage beyond that which can be attained solely by allocation and priorities of materials.

We must bear in mind the fact that the methods of financing the defense effort will be an important factor in partially determining the pattern of income distribution for a number of generations to come. It is highly important that these patterns take a form which will not accentuate existing inequities or create new social problems but which serve as a constructive force in our economy.

It is clearly apparent that the joint guidance of the various government agencies will be needed to let industry know whether the specific financing programs which it contemplates during the emergency are proper in view of inescapably pertinent economic realities. **— Ganson Purcell, member of the Securities and Exchange Commission, to the Detroit Economic Club on Nov. 24.**

Translate all this into plain, everyday English, and what do we have?

Among other things a clear demand for an extension of the economic planning idea to include further and more direct control of the flow of capital—an extension invoked not in the name of defense or even in the name of the present emergency but in consideration of what the speaker is pleased to term "pertinent economic realities" as they bear upon post-emergency conditions.

What a tangled web of defense and plain ordinary New Deal notions the authorities are weaving!

May kind Providence preserve us from these machinations!

Churchill On U. S. Aid To Great Britain

In a speech in London on Nov. 19 reference was made by Prime Minister Winston Churchill to the aid received from the United States under the Lease-Lend Bill, Mr. Churchill, as to this, saying:

> To return for a moment before I sit down to the contrast between our position now and a year ago. I must remind you—I don't need to remind you here in the city—that at this time last year we did not know where to turn for a dollar. By very severe measures we had been able to spend in America about £500,000,000. But the end of our financial resources was in sight—nay, it had been actually reached.
>
> All we could do at that time a year ago was to place orders in the United States without being able to see our way through, but on a tide of hope and not without important encouragement. Then came the majestic policy of the President and Congress of the United States in passing the Lease-Lend Bill under which in two successive enactments about £3,000,000,000 was dedicated to the cause of world freedom without—mark this, for it is unique—the setting up of any account in money.
>
> Never again let us hear the taunt that money is the ruling power in the hearts and thoughts of the American democracy. The Lend-Lease Bill must be regarded without question as the most unsordid act in the whole of recorded history.
>
> We, for our part, have not been found unworthy of the increasing aid we are receiving
>
> We have made unparalleled financial and economic sacrifices ourselves, and now that the Government and people of the United States have declared their resolve that the aid they are giving shall reach the fighting lines we shall be able to strike with all our might and main.

The Prime Minister's remarks were made at the luncheon, at which the new Lord Mayor, Sir John Laurie, was inducted. He likewise, had something to say with respect to the Japanese situation, stating in part:

> I must admit that having voted for the Japanese alliance nearly 40 years ago, in 1902 and having always done my very best to promote good relations with the island empire of Japan, and having always been a sentimental well-wisher of Japan, an admirer of their many gifts and qualities. I should view with keen sorrow the opening of a conflict between Japan and the English-speaking world.
>
> The United States' time-honored interests in the Far East are well known. They are doing their utmost to find ways of preserving peace in the Pacific. I do not know whether their efforts will be successful but should they fail, I take this occasion to say—and it is my duty to say it—that should the United States become involved in war with Japan a British declaration will follow within the hour. . . .
>
> I hope devoutly that the peace of the Pacific will be preserved in accordance with the known wishes of the wisest statesmen of Japan. But every preparation to defend British interests in the Far East and to defend the common cause now at stake has been and is being made.

Editorial—

Defense And Local Taxation

Heated debates among members of the Senate Foreign Relations Committee have served to bring to general notice one of the most difficult and intricate problems of the national defense effort. The problem is that of taxing the scores of industrial and other establishments within the United States which are devoted to aiding the British Empire. Local government taxation of such establishments is the question at issue, and only a sensible consideration of all factors seems likely to lead to a satisfactory solution.

The treaty-making powers of the Federal Government, it is now known, were invoked to formulate an understanding with British authorities whereunder establishments devoted to aiding Britain were to be exempt from local taxes. A similar exemption naturally would apply to American defense establishments in the United Kingdom, but this part of the accord can be regarded as pro forma and as having little real meaning. The intent clearly was to lighten the financial burden of Great Britain.

In view of the course pursued at Washington, it would seem logical to spare the British whatever burdens are unnecessary. There is no doubt, moreover, that the treaty-making powers of the Federal Government suffice for this purpose. But considerations of local government financial affairs in our own country may be even more compelling, and the Senate Committee unquestionably is aware of that fact.

For the fact is that the treaty, which was signed in Washington some weeks ago, has met short shrift in the Senate Committee. The initial secret study of the proposed pact aroused antagonisms which brought the whole enterprise to light. It resulted in what Washington press correspondents called "a sharp rebuff to President Roosevelt and to the State Department."

If the portion of the treaty which is intended to exempt British-owned defense plants from local taxation goes down to defeat, this could only be regarded as a salutary matter. Since defense establishments are grouped here and there throughout the country, those communities in which the groupings occur would be penalized unduly by inability under such a treaty to collect taxes on the plants concerned. Others would meet no such problem, and the effect would be an altogether unfair imposition of serious financial burdens upon relatively few communities.

It so happens that the problem is deeper than taxation of British-owned establishments, only. When new Reconstruction Finance Corp. legislation was enacted last June, the ever widening powers granted that elephantine agency included a partial exemption from local government taxes of all defense plants owned by the RFC or financed by it and its numerous subsidiary corporations. A sweeping exemption was sought at the time, but objections were raised in behalf of the State of Michigan, where many defense projects are in operation. The Common Council of the City of Detroit adopted a resolution specifically condemning such sweeping exemption.

A compromise was reached which places the real estate owned by the RFC and its subsidiaries under continued local government taxation, while leaving so-called "personal property" exempt. This is far from a satisfactory solution, and the entire matter doubtless will be reviewed as the effects become apparent. Experience under even this modified exemption meanwhile will bear directly upon such treaty proposals as the one now under consideration.

This entire question was reviewed from the standpoint of the American municipalities, last month, at the annual conference of the American Municipal Association. John H. Witherspoon, Chief Assistant Corporation Counsel of the City of Detroit, addressed the conference and pointed out some of the many dangers and inequities involved in defense plant exemption from local taxation. The matter, he pointed out, has a vital bearing upon that most fundamental of democratic institutions, the municipal government.

The local government services, he remarked, necessarily must be expanded as defense plants rise and begin operations in the communities selected. Water, sanitation, police and fire protection costs all increase sharply. But if taxation of the very projects occasioning the increased costs is prohibited by Federal statute or Federal treaty, the remaining property in the given community must be taxed additionally. Such additional taxation, he showed, may well be ruinous to the non-defense portion of the community and might involve continuance of municipal government itself.

Lest this be considered a needless "viewing with alarm," Mr. Witherspoon cited some examples of townships bordering upon Detroit where water supplies became polluted and the health of the entire community endangered, owing to the partial tax exemption of RFC plants. With much of the energy of the country due to be diverted to defense under the New Deal plans, this is a question of the gravest possible significance. Within the coming year, according to Leon Henderson, nearly half of all of Detroit's productive capacity is due to be engaged in defense production, and it is obvious that many other communities will be in like case.

The problem of local taxation of British-owned defense establishments already poses some serious questions, Mr. Witherspoon disclosed. On some of the plants local taxes simply are being ignored, or were at the time of the address. It was, probably, with a view to adjusting this matter that the treaty with the British Government was contemplated. Whatever the ultimate answer to the problem may be, it is evident that simple tax exemption is not the correct approach. A more equitable method clearly is needed, if the matter is so urgent that local taxes cannot be met.

Editorial—

Tribute

"Millions for defense, but not one cent for tribute," the patriotic declaration commonly, although perhaps without complete accuracy attributed to Charles Cotesworth Pinckney, the soldier-statesman of South Carolina who was twice the candidate of the Federalist Party for the office of President of the United States, has for a century and a half appealed to most Americans as expressing the minimum demand of dignified and independent sovereignty. How can a people walk proudly upright among the nations of the earth while it taxes its citizens in order to pay other nations to refrain from acts injurious or threatening to its proper peace and prosperity? General Pinckney believed that it could not and when, as ambassador to France in the time of the great Napoleon, sent there to seek to negotiate a treaty providing for commercial intercourse, he was approached with insistence that the privilege of negotiations must be paid for before conversations could begin, he immediately uttered a vehement rejection which perhaps was in the words "It (*i. e.*, the answer—Editor) is No! No! Not a sixpence!" but is more usually supposed to have been in the terms quoted at the beginning of this article.

John Marshall, who was to become the great Chief Justice, and Elbridge Gerry, signer of the Declaration of Independence, member of the Constitutional Convention of 1787, and later Vice-President, his colleagues in the important mission, agreed that it was better that their undertaking should fail and even that war should ensue, as it did (the undeclared naval war of 1799—Editor), rather than that the young but aspiring sovereignty which they represented should submit to the indignity of obtaining for a monetary consideration that to which it was entitled as a self-respecting member of the family of nations. All three retired from the attempt at negotiation, the unworthy overtures were spurned by President John Adams as indignantly as they had been by his emissaries, the celebrated "X. Y. Z. correspondence" was revealed to an American public which unanimously applauded the refusal of tribute by its representatives. Washington emerged from his retirement at Mount Vernon to accept command of the national military forces, privateers were commissioned to act upon the high seas, and peace was not reinstated until every suggestion of humiliating tribute had been disavowed by Napoleon and his government.

Honor, the honor of the Nation as understood by its President and Secretary of State, seems to be far less sensitive and discriminating in 1941 than it was in 1797, under John Adams and in the hands of the statesmen from South Carolina, Virginia and Massachusetts, who would not stoop to compliance with an unworthy exaction in order to maintain peace with the country then represented by the most relentless and unscrupulous military power of the period and led by the most accomplished soldier since John Churchill, the great Duke of Marlborough, fought his way to fame and fortune at the commencement of the Eighteenth Century. We are thinking of all South and Central America and of repeated happenings, beginning with the subsidizing of Brazil by a large loan financed against the credit of the taxpayers of the United States soon after the former became totalitarian a few years ago, but last week's executive "treaty" with the Socialist-Communist government of the miscalled Republic of Mexico is the case immediately and for the moment most spectacularly in point.

Mexico is a country possessing an area roughly about half the size of the United States and inhabited by nineteen or twenty millions of whom an enormously preponderating proportion are full-blooded Indians or persons principally of Indian origin, huge masses of them totally illiterate, while among the so-called literate remainder, far the greater number are so densely ignorant and unacquainted, as well as unsympathetic, with the processes of democratic government that their pretended participation in anything of the sort is nothing but hollow mockery. From the time of Cortez, its Sixteenth Century conqueror, to the present day, Mexico has never had a government not actually founded upon force and its few periods of genuine prosperity and advancement have been only when the sovereignty of the period happened to be, for the time being, in the hands of some relatively unselfish, far-seeing, and disinterested dictator. The extended rule of Porfirio Diaz was such a period and, while it lasted, from 1884 to 1911, the country enjoyed the longest era of domestic tranquility and the highest rate of progress in the development of its great natural resources with co-related expansion of modern agencies of commerce and production and diffusion of security and comfort, which it has ever experienced. But dictatorships are apt to pass into premature senility when peace long prevails both at home and abroad and their powers of self-protection invariably decay when necessity for their utilization is long interrupted. Diaz became old, his vigilance diminished, his methods lost much of their popular attractiveness, and domestic unrest led to revolution in which he was swept from power. Stability of government went with him and there was scarcely a pretense of its recovery until Plutarco Elias Calles was confirmed as President on December 1, 1924.

Calles was called a strong man and achieved some measure of internal order but General Obregon, who was chosen to be his successor, was murdered in consequence of political agitation and there were three substantially impotent administrations before Lazaro Cardenas assumed office at the beginning of December, 1934. He proclaimed a regime of avowed Socialism, with apparent predisposition towards Communism, and strong antipathy to all recognized forms of religion; extensively expropriated owners of agricultural and mineral properties; took possession of the railway system created by foreign capital, chiefly from the United States; by exploitation of the lingering remnant of public credit accomplished something in the improvement of the City of Mexico and development of highways hitherto almost neglected, as well as in commendable increases, in the number of primary schools and school-attendance. But he left office, a few days less than a year ago, with Mexico in default upon substantially all its public obligations, including a national debt of approximately $1,000,000,000 and the bonds of its railroads, the *peso* (its monetary unit) depreciated to an exchange valuation of about twenty cents, diplomatic relations with Great Britain severed by that nation in retaliation for the violent expropriation of British owners of petroleum-producing lands and oil-refineries, and Secretary Hull showering upon its diplomatic representatives a series of strongly denunciatory notes demanding redress for similar "confiscation" of like properties belonging to citizens of the United States. Another military leader, General Manuel Avila Camacho, was the beneficiary of the so-called "election" of July 7, 1940, and succeeded, last December, to the trials and tribulations as well as the powers, both nominal and arbitrary, but habitually exercised and tolerated, of the Presidency. With him, of course, there came into office a Congress completely dominated by him and his close associates. The only items to be added to this sketch of Mexican conditions, is that at least nine-tenths of the inhabitants of that unhappy country are very seriously "ill-fed, ill-clothed, and ill-housed" while its enormous natural resources of substantially all sorts are almost wholly undeveloped, and the splendid climatic conditions prevailing throughout four-fifths of its area have not yet led to the establishment of a prosperous agriculture or successful industry, nor have they been enjoyed by a healthy, happy, and steadily or even slowly progressing people. In the period of nearly a century and a quarter since the Spanish yoke was thrown off in 1822, there has been no sufficient progress in anything except the numbers of a population that has been badly led and is still compelled to exist under conditions so unspeakably bad that they would not be considered tolerable in any section of the United States. The military power of Mexico is negligible and its dependence upon foreign initiative and capital for every element of material progress is unquestioned and complete.

It is to this Republic of Mexico, in no single degree belittled or underrated by the foregoing summary, that the United States, under the leadership of Mr. Roosevelt and Mr. Hull, has meekly bowed its head and has agreed to pay continued tribute as an inducement to obtain immunity from international action inimical to its interests. We denominate the agreement to which we refer as an "executive treaty," for while it appears to include all the attributes of a treaty between nations, within the contemplation of the Constitution of the United States which requires that all such treaties shall be ratified by a two-thirds vote of the Senate, it is plainly not intended that it shall be referred to the Senate at any time, and it has apparently been concluded under instructions from the President, by the Executive Department, which has in some manner concluded that the Senate in this instance as in some others of recent occurrence, can with impunity be ignored.

Of course, the stultification is not, in terms, set forth upon paper. Mexico does not specifically agree not to supply fuel oil for exportation to Axis powers, or not to deal sympathetically with Germany or Italy or Japan; it does not in words bind itself not to allow installation of aircraft landing places, or radio sending or receiving stations for communication with Germany, or to refuse port facilities for use as "bridge-heads" by Japan. Any of these would be, in the present condition of affairs, unfriendly acts properly to be restrained, possibly to be redressed, by forcible action. The United States, even now, could not be placed in the situation of openly bargaining with pecuniary recompense for abstinence from such hostility. But it seems intrinsic in the terms of the treaty that such abstinence is implied and was considered as worth paying for. Otherwise why the distinctly onesided assumption of obligations by the United States? In its substance this novel "treaty" with the contiguous minor power of Mexico has been benignantly given to the press and may be summarized here. Nominally the long-standing claims on behalf of American citizens for the confiscation of real and personal property, including extensive agrarian properties seized ostensibly for establishing relatively small private holdings in the hands of resident farmers and the ousting of the owners who had developed profitable oil production under Mexican concessions contractual in appearance, have been settled. As to the agrarian claims, Mexico is credited with having already paid $3,000,000 and agrees forthwith to pay $3,000,000 more, but is given fourteen years in which to make up the admitted balance of $34,000,000. Concerning the petroleum producing properties seized in 1938, the "settlement" is so ineffective as to be in reality wholly without meritorious substance. Three years ago Secretary Hull told Mexico, in an official communication, that the taking without provision for "adequate, effective, and prompt compensation" was bald confiscation, which this country could not tolerate as to properties rightfully belonging to its citizens. That is the sound doctrine of international law. Now the authorities at Washington condone this intolerable offense against the dignity and citizenship of the United States, an in exchange get nothing but a provisional payment of $9,000,000, which this Government is pledged to refund to Mexico if the further proceedings do not effect a final agreement upon the valuation of the properties, supposed to be worth about $175,000,000, and an agreement to proceed to make actually separate and practically independent appraisals, absolutely certain to eventuate in widely differing results. When made, these appraisals are to become the subject of diplomatic correspondence, which relegates the situation to just what it has been since the owners were forcibly driven out, except that our own Government will have acquiesced in the legality, under international law, of the expropriation.

Mexico's obligations under this new "treaty" are, as will have been seen from the foregoing, quite nominal and insignificant. On the other hand, the United States pledges itself to definite payments which are considerable and important. For one thing, the Treasury Department of the United States assumes an obligation to stabilize the depreciated Mexican *peso* at an undivulged price, supposed to be at a valuation of $1.000 American for 4.95 Mexican *pesos*—considerably above their real value in exchange and in excess of the current bullion value of the silver they would represent if the metal could be freely obtained in their redemption. The limit of an expenditure of $40,000,000 is placed upon this obligation but probably must be considered, for the time being, as provisional. Furthermore, this country agrees to buy, every month, 6,000,000 ounces of Mexican silver, at the price of 35 cents per troy ounce, thus foisting upon the Federal budget an annual outlay of $25,200,000, for which nothing worth having will be received. In fact, additional silver, however acquired but superimposed upon the huge and unused stock already held by the Treasury, is just a valueless and costly nuisance, imposing high costs for its preservation. Furthermore, through the Export-Import Bank this country, also upon the credit of the taxpayers, is to supply not more than $10,000,000 for each of the next three years, presumably to finance internal improvements and the employment of superfluous labor south of the Rio Grande. If all this is not millions "for tribute," it is difficult to give it any definition. How long it will suffice to buy the complacency in international affairs that appears as its present object, it is quite

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Holds States May Tax Defense Contracts

The United States Supreme Court upheld on Nov. 10 the right of a State to impose taxes on private contractors working for the Federal Government on a "cost-plus" basis. Stating that the Department of Justice estimates that the Supreme Court findings may add $82,000,000 to the cost of defense construction during the current fiscal year, Associated Press accounts from Washington added:

Chief Justice Stone delivered the decision, applying specifically to assessments by Alabama on contractors engaged in construction work for the Federal Government at Fort McClellan. No dissent was announced. Justice Jackson did not participate.

The Court held specifically that sales and use taxes imposed by Alabama on construction materials purchased by contractors who later were to be reimbursed by the United States did not violate the Federal Government's immunity from State taxation. A decision by the Alabama State Supreme Court setting aside the taxes was reversed in (Nov. 10) decision.

Arguing against the taxes on the ground that the contractors were in effect agents of the Government, the Justice Department had said that the issue involved $28,000,000 in State taxes on contracts already let, and might cost the United States $54,000,000 additional this year on "cost-plus" contracts.

"Cost-plus-fixed-fee" contracts provide that the contractor receive a specified amount above the actual cost of materials and labor. The State of Alabama contended that the materials actually were purchased by the contractors under agreement that the United States was not liable for the purchases.

Two cases were covered in the Court's decision, one relating to $1,372 in sales taxes on lumber bought by Dunn Construction Co., Inc., and John S. Hodgson & Co., both of Birmingham, and a $51 use tax on roofing materials purchased outside of Alabama by the same contractors.

Chief Justice Stone said that the contractors were purchasers of the lumber within the meaning of the taxing statute, and as such were subject to the tax. They were not relieved of the liability to pay either because the contractors in a loose and general sense were acting for the Government in purchasing the lumber or, as the Alabama Supreme Court seems to have thought, because the economic burden of the tax imposed upon the purchaser would be shifted to the Government by reason of its contract to reimburse the contractors."

Less Steel For Furniture

The companies manufacturing metal office furniture and equipment were ordered on Nov. 7 by the Office of Production Management to reduce by about 40% their use of steel during the four-month period ending Dec. 31, 1941. Priorities Director Donald M. Nelson warned that more drastic cuts . . . may be necessary later" but would be applied gradually in order to permit as many manufacturers as possible to substitute wood for steel. It is estimated that the curtailment, if continued for a year, would save 100,000 tons of steel annually. The order requires larger companies to reduce their activities more drastically than smaller ones and limits the use of steel for some types of furniture more strictly than for others.

THE FINANCIAL SITUATION

(Continued from First Page)

thought out conclusions as to what ought to be done next. It is not too soon, in point of fact, to consider many of these post-war problems at least in their general aspects even if there were a virtual certainty that peace is years away.

What must disturb all thoughtful men and women is the type of planning that seems to be under way, the general approach to the questions at hand, and the utter lack of understanding which seems to characterize much that is being said and done. What Hitler has in mind can, of course, be only guessed. It is safe to assume that he envisages a Europe poured into a rather carefully prepared mold, out of which would, so it is hoped, come an instrument of high efficiency quite subservient to Germany. Whether in the very nature of the case he can succeed with any such venture is naturally a matter which time must settle, and if successful what its significance for the remainder of the world would be is another query which can not possible be answered at this time. Any program of the sort conceived in Berchtesgaden and brought forth in Berlin would without question go against the grain of practically every American and would as certainly be anathema to the British Empire, but we may as well be candid enough with ourselves to admit that properly and successfully executed it might have important advantages along with its abhorrent features.

With the deepest regret, even with shame, be it said that we suspect that an Olympian observer, detached from mundane animosities and madness, would hesitate to say more for the plans and the programs which appear to be taking form and shape in Washington concerning the management of world affairs after hostilities have ceased. High moral purpose, delightful if rather stupid idealism, and the true reformers spirit, such an observer might concede (though at times he probably would have occasion to ponder the question), but further he could scarcely go. Whether the world after a decade or two would be further advanced if Hitler had his way in Europe or the New Deal planners were given a free hand to manage the earth, would be a question which must needs puzzle even the gods. Meanwhile British rulers are cannily saying very little, but we may rest assured that they are not slumbering. When the actual bargaining begins they will know very well what they want, and if history is a trustworthy guide they will get much of it.

In everything except practical politics the President has always been obviously wanting in hard common sense. This infirmity has, of course, been evident enough from the first in his discussions of matters that have to do with foreign relations. It was, however, with the deliverance of his well publicized "four freedoms" utterance in the course of his annual message to Congress early this year that thoughtful observers were most startled by his besetting weakness as applied particularly to post-war questions. It will be recalled that near the end of this impassioned address the President said:

> In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms:
>
> The first is freedom of speech and expression—everywhere in the world.
>
> The second is freedom of every person to worship God in his own way—everywhere in the world.
>
> The third is freedom from want—which, translated into world terms means economic understandings which will secure to every nation a healthy peace-time life for its inhabitants—everywhere in the world.
>
> The fourth is freedom from fear—which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world.
>
> That is no vision of a distant millenium. It is a definite basis for a kind of world attainable in our time and generation.

Thoughtful citizens not wholly carried away with fine phrases and poetic visions could scarcely fail to wonder whether the President really knew what he was saying. Many, perhaps most, of them doubtless concluded upon consideration that his phrase making had run away with him. Perhaps it had. In a very few short months after a few days conversation with Mr. Churchill in August he joined with the British Prime Minister in the so-called Atlantic Charter which when considered in its setting and in conjunction with co-temporaneous utterances certainly paid scant respect, to say the least, to the second and third "freedoms," and seemed to limit his fourth to territory far short of "everywhere in the world." But whether or not wholly consistent with his earlier utterance, this manifesto certainly left much to be desired in the matter of realistic approach to the problems by which the world will be beset when this war is over. At times, it, like the earlier one, seemed to be setting forth a sort of New Deal world platform. Little acumen was required to surmise who was the real author of the statement—or most of it—and it was soon evident enough in what manner it was regarded in London.

Since that day in August last, many disturbing indications have come to light which add to rather than subtract from the impression that almost any day dream may presently be found embodied in plans for post-war world management from Washington—and nothing that is greatly short of world management will, apparently, satisfy the ambitions of the Chief Executive. Lease-lend funds which the President is authorized to dispense at his discretion are being sent to all manner of places and for purposes which, except in a most strained sense of the term, have nothing to do with defense of this country. It would appear that some one with an excellent imagination is assisting the President in devising ways of disbursing these funds in strange ways. Now Dutch Guiana is to have her bauxite mines protected by soldiers from the United States—protected from what is not clear. We are evidently embarked upon a program of buying the friendship of many peoples—at a high price. One must wonder whether it is going too far to inquire whether the President at some later date—possibly a post-war date—may not conceive the idea of buying some of the freedoms for alien peoples throughout the world. And regardless of protestation to the contrary, are there not strong suggestions in our present foreign policy of resumption of imperialism under some other name and perhaps under new guise?

Then there is discussion bobbing up almost daily at Washington for weeks past about "free access" to raw materials. Precisely what does all this talk mean? Where has there been any important want in peace times of free access to raw materials unless some rather strange meaning is assigned to the term "free access"? Has any nation with the means of payment been denied the privilege of buying rubber, tin, nickel, cotton, or any of the other great raw materials? Lack of free access to markets, restrictions upon the movement of populations, want of opportunity for developing resources at various parts of the world, possession and control (which outbreak of war would not bring to an end) of raw materials—these have been and will in the future be much more important as causes of war. Free determination of peoples—a strange doctrine in the mouth of a nation which fought a long and bloody struggle to hold a large block of its own peoples unwillingly in its union—exploited for alien purposes—here is something more realistic for the managers at Washington to think over.

But after all, who are we to suppose that we alone know the answers to the international riddles of the world? Who are we to imagine that we have the influence, the power, the money to oblige or to cajole other peoples into accepting our views—which more often than not have been formulated with scant knowledge or understanding of the problems involved? Must we not only exterminate Hitler but rebuild the world to plans drawn in Washington? What an opportunity must inevitably face this country during the next few decades—if only we manage our own affairs wisely and learn not to meddle with other people's!

Editorial—

Tribute

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impossible to guess. The least that can be said is that in all human history, the servile compliance with demands for bribery and tribute has always been the parent of expanding and increasingly impertinent mendicancy. These things are not accomplished in secrecy or darkness. While the United States pays tribute to Mexico, an entire continent looks on with augmenting interest and, in some of its capitals, with aroused and growing cupidity. The end is beyond prophecy, but it requires no prophetic vision to be certain that it will be neither harmless to the public purse nor pleasing to the public pride.

The State Of Trade

Business activity in many lines showed increases over the previous week. Gains were registered in carloadings, bituminous coal production and crude runs-to-stills, while steel operations and electric power output recorded declines. Automobile production was reduced sharply as leading companies closed down on Wednesday for the balance of the week. Department store sales on a country-wide basis were up 14% for the week ended Nov. 15, compared with the same week a year ago, according to the weekly figures of the Federal Reserve System. Dun & Bradstreet placed retail trade for the week at 15 to 22% above a year ago.

According to Ward's reports for the period ended Nov. 21, automobile production registered a considerable drop due to the Thanksgiving holiday. According to their figures output of cars and trucks for the week is estimated at 76,820 units. The volume compares with 92,990 cars and trucks for the previous week and 104,440 in the corresponding week of 1940.

Constituting a total reduction of 56.1%, the Office of Production Management announced that passenger automobile production in February, 1942, will be restricted to 43.9% of the output in the same month of 1941. The 56,1% reduction, it was stated, may be made greater as the result of increasing demands for steel and other critical materials for national defense, and there is no guarantee that sufficient materials will be available to meet maximum production allowances in any consumers' durable goods field, observers state.

Steel production throughout the country, which has been seriously impaired by the now-concluded captive coal mine strike, is expected to be back at capacity operations by mid-week in those centers that had been running at top speed before the strike.

It appears certain that nearly 50,000 tons of ingot steel will have been lost to the industry as a whole before full production is again resumed, informed sources state. Carnegie-Illinois Steel Corporation, largest steel producing unit in the country, estimates that its losses will come close to 40,000 tons of ingots. Carnegie-Illinois closed 11 blast furnaces in its Pittsburgh and Chicago plants.

Engineering construction awards for the short week due to the early closing for the Thanksgiving Day holiday, total $64,100,000, a decrease of 14% from the volume reported for the corresponding 1940 week "Engineering News-Record" revealed.

Private awards for the week are 7% higher than a year ago, but public construction is 19% lower, due to a 24% decline in Federal work and a 2% decrease in State and municipal awards.

An increase in freight carloadings to 883,839, or 1.2% higher than the preceding period, was reported by the Association of American Railroads for the week ended Nov. 15. The gain which interrupted the usual seasonal declining trend raised the margin of improvement over last year to 138,544 cars, or 18.6%. Compared with the corresponding week in 1939, loadings showed a gain of 15.2%.

With the settlement of the captive mine strike, it was expected that a marked feeling of relief would be general, in view of its major threat to the defense program. However, there are other strikes and the problem is far from settled. The railroad management and union representatives have so far failed to reach an agreement which would officially put an end to the prospect of a railroad strike. This is indeed another major threat to the country. If the unlikely happens, and they are not able to agree on the basis outlined by the President's Fact-Finding Board, there is a possibility that the Government will have to take over the railroads for the duration of the war, certain quarters believe.

It is said the CIO is not modifying policies that are likely to lead to defense shutdowns despite convention resolutions to give all "possible aid to Great Britain, the Soviet Union and China." This is indicated by the ambitious organizing plans outlined at the convention.

It is said that the CIO is preparing Nation-wide drives in the oil industry and further vigorous campaigns in the aircraft plants. It is in the latter field that disputes may arise because of probable collisions with AFL machinists' unions, and independent organizations that have entrenched themselves in many aviation plants.

From all this it will be seen that the situation as far as labor is concerned is far from heartening, and the feeling is becoming increasingly stronger than the entire matter needs drastic treatment, and that without further delay.

The Chandler Act As Applied In The Case Of A Bankrupt Stock Broker; Text Of Decision

In our issue of Nov. 13 (Vol. 154, page 1009) we published an item under the heading "Holds Cash Customer of Bankrupt Broker Can Regain Securities in Broker's Name." The article concerned a recent decision of United States Circuit Court of Appeals for the Third District in re McMillan, Rapp & Company, Bankrupt, and consisted chiefly of excerpts from the Philadelphia press dated Nov. 5.

One of the parties to the case has been kind enough to call our attention to inaccuracies in the excerpts thus reproduced, and in addition has obliged us by forwarding the official text of the Court's decision and opinion, which we find room for today.

Our readers will, we feel certain, find the opinion highly informative since this particular section of the Chandler Act has not been judicially construed save in the particular cases here in question, although the question (which was raised by at least one of the parties concerned) whether Section 60(e) of the Bankruptcy Act as amended applies to a securities dealer as well as a "stock broker" was not decided.

The Court's decision follows in full:

IN THE
UNITED STATES CIRCUIT
COURT OF APPEALS,

For the Third Circuit.

Nos. 7720, 7721, 7722 and 7723.
October Term, 1940.

In *re:* McMILLAN, RAPP & COMPANY, Bankrupt.

IRVIN L. STONE, Trustee in Bankruptcy,
Appellant.

Appeals From the District Court of the United States for the Eastern District of Pennsylvania

OPINION
(Filed November 3, 1941.)

Before Clark, Jones and Goodrich, *Circuit Judges.*

Jones, *Circuit Judge.*

The trustee of McMillan, Rapp & Company, bankrupt, appeals from four separate decrees of the District Court awarding to each of four customers of the bankrupt reclamation of securities which they had severally purchased through the bankrupt but which remained in the bankrupt's possession at the date of bankruptcy.

In so far as the facts are legally significant, they are substantially the same with respect to the claims of three of the customers, viz., Leaver (No. 7720), Weiss (No. 7721) and Thomas (No. 7722). Moreover, the factual differences, which will be noted, with respect to the claim of the fourth customer, Freeman (No. 7723), do not seem to distinguish his claim from the others.

McMillan, Rapp & Company, a corporation, was adjudicated bankrupt on February 20, 1940, upon a voluntary petition. The company had been engaged in the investment business in Philadelphia and in some instances had acted as a stockbroker. Among the assets found by the trustee in the bankrupt's possession were various certificates, in the name of one or another of the four claimants, for stock which they had severally purchased through the bankrupt, and had paid for in full, either with stock subscription warrants and cash or entirely with cash, all within four months of the date of bankruptcy and while the bankrupt was insolvent.

In the cases of Leaver, Weiss and Thomas, the stock certificates in their respective names were in separate envelopes each bearing the name of the particular owner of the enclosed shares and were so deposited in the bankrupt's safe deposit box, where they remained until the date of bankruptcy. None of these certificates, nor the certificates in Freeman's name which also remained in the bankrupt's possession, had been endorsed nor were they accompanied by any stock transfer power. In each instance (except for some bank stock purchased by Weiss) the bankrupt first accepted delivery of the purchased stock in a street name and thereafter sent the certificates in the street name to the transfer agent for transfer to the particular customers. In the case of Freeman, his purchase of the stock to which he lays claim was begun on margin but, prior to the bankruptcy, he had paid his debit balance in full and had demanded the certificates for his stock which were transferred to his name but were not delivered by the bankrupt which retained possession thereof. None of the claimants was indebted to the bankrupt.

The principal question here involved is whether the claimants made out a case for reclamation within the requirements of Section 60 (e) of the Bankruptcy Act, as amended. (*Footnote:* Act of June 22, 1938, c. 575 §1; 52 Stat. 869, 11 U. S. C. A. §96, Pht. Supp. pp. 168-169.)

There is an incidental question which was raised below as to whether the bankrupt was a stockbroker. The referee found that it was. Upon that finding depends the applicability of Section 60 (e). The District Court, upon a review, approved the referee's finding in such regard and, in so doing, we think acted properly. Notwithstanding the bankrupt had generally conducted an investment business and, consequently, had ordinarily acted as principal and not as agent, it is plain that, in respect of the stock purchases involved in the present appeals, the bankrupt acted as broker or agent for these claimants. It follows, as a matter of law, that the instant claims are subject to the provisions of Section 60 (e). Do they satisfy the statutory requirements?

Paragraph (2) of Section 60 (e) provides that "All property at anytime received, acquired, or held by a stockbroker from or for the account of customers, *except cash customers who are able to identify specifically their property in the manner prescribed in paragraph (4) of this subdivision* and the proceeds of all customers' property rightfully transferred or unlawfully converted by the stockbroker, shall constitute a single and separate fund; and all customers except such cash customers shall constitute a single and separate class of creditors, entitled to share ratably in such fund on the basis of their respective net equities as of the date of bankruptcy: * * *." (Emphasis supplied.)

"Cash customers" are defined by paragraph (1) of Section 60(e) as being "customers entitled to immediate possession of such securities without the payment of any sum to the stockbroker." Under this definition the present claimants were cash customers. They had fully paid for their stock purchases and were not otherwise indebted to the bankrupt.

As to the manner of identifying specifically the property of cash customers, paragraph (4) of Section 60 (e), stripped of matter not presently applicable, provides that "* * * *no securities* * * *received by a stockbroker* * * *for the account of a cash customer* * * *pursuant to purchase* * * *shall* * * be deemed to be specifically identified, unless *such* property remained in its identical form in the stockbroker's possession until the date of bankruptcy, * * *." (Emphasis supplied.) An alternate means of identifying property is also prescribed but is not presently important, as it is unavailable to these claimants under the attending circumstances. All of the stock involved in the pending cases was purchased by the stockbroker for the claimants' accounts within four months of the bankruptcy and while the stockbroker was insolvent.

The question, therefore, is whether the stock received by the stockbroker for the respective accounts of these cash customers pursuant to purchase remained "in its identical form in the stockbroker's possession until the date of bankruptcy." The learned court below held that it did and, with that conclusion, we agree. The referee, who had held to the contrary, treated the cash and stock subscription warrants which the customers had transferred to the stockbroker in payment of the purchases as being the property which had to remain in its identical form in order that the customers might be able to reclaim it after bankruptcy under the relevant clause of paragraph (4). Such a construction ignores the provision of paragraph (4) which makes it applicable to "securities * * received by a stockbroker * * for the account of a cash customer * * pursuant to purchase." Patently, this does not contemplate that the securities so received by the stockbroker shall be the property which the purchasers deposited or paid for their purchases. In the very nature of the transaction, a customer's ownership of the new securities does not arise until they are received by the stockbroker for the customer's account pursuant to the authorized purchase. The trustee, presumably perceiving the evident error in the referee's construction, now argues that the securities which the stockbroker received for the accounts of the present claimants pursuant to purchase were the certificates in street name, whereof the stockbroker first accepted delivery, and which, admittedly, did not remain in their identical form in the stockbroker's possession until the date of bankruptcy. But, the transfer of the certificates out of street name into the names of the purchasers was but a step in the purchase pursuant to which the stockbroker ultimately received the certificates in the purchasers' names for their accounts.

We conclude therefore that where, prior to a stockbroker's bankruptcy, a customer purchases securities through the broker for cash or its equivalent in the ordinary course of business and the broker receives, pursuant to the purchase for the customer's account, stock certificates in the name of the purchaser which remain in their identical form in the broker's possession until the date of bankruptcy, the customer, if he is not indebted to the broker, may thereafter claim the stock as his own free and unencumbered property. This rule obtains regardless of how long before the stockbroker's bankruptcy the transaction took place and regardless of the broker's current insolvency so long as there is no question of the creation of a preference which is otherwise taken care of by Section 60 (e) and as to which both the period before bankruptcy and the broker's insolvency are material. We believe that the construction which we thus place upon paragraph (4) is what the plain words of the statute reasonably require and that, so construed, the provision effectuates the evident intent of Congress.

Section 60 (e) is new, having been introduced into the bankruptcy law by the Chandler Act. So far as we are advised, paragraph (4) has not heretofore been judicially construed except by the District Court in the instant cases. Clearly, the purpose of the provision was to correct a very definite and well recognized situation. Prior to the enactment of Section 60 (e), inequalities had developed in the distribution of a stockbroker's estate in bankruptcy due to the fact that some purchasers of stock on margin or depositors of stock or other property were able to lift their stocks or property from the possession of the bankrupt's estate upon paying any debit balances due by them, while others were left with nothing more than claims as general creditors of the bankrupt because there was insufficient stock of a particular kind in the estate or none at all to allocate to their accounts. (*Footnote:* Stocks being considered fungible property, a customer's claim against a bankrupt stockbroker for a certain number of shares of a particular stock has been traceable merely from the fact that the broker had in his possession at the time of bankruptcy a sufficient number of shares of the same kind of stock even though the certificates for the stock acquired or held by the broker for the customer's account had been otherwise disposed of or pledged by the broker. Gorman *v.* Littlefield, 229 U. S. 19, 24-25; Richardson *v.* Shaw, 209 U. S. 365, 379; Lavien *v.* Norman, 55 F. 2d 91, 96 (C. C. A. 1). This rule was the consequence of the generally prevailing rule of property that title to stocks purchased or held by a broker for the account of a customer is in the customer, the broker being merely a pledgee thereof as security for the payment of the customer's debt to the broker. Richardson *v.* Shaw, *supra.* And in Massachusetts, where it has been held that title to such stock remains in the broker subject to his executory contract to deliver the stock to the customer upon the latter's payment of the purchase price in full (Wood *v.* Hayes, 15 Gray 375), the bankruptcy of the broker has been deemed to work a demand and tender by the customer wherefore title to the stock so acquired or held by the broker vests in the customer who can then obtain possession thereof from the trustee in bankruptcy by paying his debit balance. Leonard *v.* Hunt, 36 F. 2d 13, 15 (C. C. A. 1); In *re* Swift, 112 Fed. 315, 318-319 (C. C. A. 1).) So that, although two customers stood in the same relation to the stockbroker as the owners of stock acquired or held for them subject to debit balances, one was able, upon the stockbroker's bankruptcy, to obtain preferential treatment over the other depending upon the mere accident of circumstance.

This inequality among claimants of the same status had long been noted and the need for its correction had been the subject of considered comment. (*Footnote:* E. G., Margin Stocks, 35 Harvard Law Review (1922) 485, 489; The Rights of a Customer in Collateral Security Given a Stockbroker, 22 Columbia Law Review (1922) 155, 158; Rights and Obligations of Customers in Stockbrokerage Bankruptcies, 37 Harvard Law Review (1924) 860, 879.) It was to remedy this inequity that Congress inserted Section 60 (e) into the bankruptcy law with the enactment of the Chandler Act. (*Footnote:* See Report of House Judiciary Committee, 75th Congress, 1st Sess. Rep. No. 1409 at p. 31.) The effect of section 60 (e) was to place all margin customers of a stockbroker in a single and separate class whose participation in the distribution of the stockbroker's estate in bankruptcy is limited to the single and separate fund composed of the proceeds of such customer's property, rightfully transferred or unlawfully converted by the stockbroker, and in which fund such customers share ratably according to their respective net equities as of the date of bankruptcy. Cash customers whose property had likewise been transferred or converted by the stockbroker are subject to the same provision unless the property (received by the stockbroker from them for sale, etc., or *for them pursuant to purchase*) remains in its identical form, as so received, until the date of bankruptcy or unless such property or any substitutes therefor or proceeds thereof were, more than four months prior to bankruptcy or while the stockbroker was solvent, allocated to or physically set aside for such customers and so remained to the date of bankruptcy.

The differentiation in the instances above noted between cash customers owning property identifiable in the broker's hands and margin customers is quite understandable. It is one thing for Congress in the exercise of its constitutional power respecting bankruptcies to promote equality among claimants of the same standing, but it would be quite a different thing for Congress to defeat arbitrarily an independent property right by appropriating the ascertainable and unpledged property of one person for the augmentation of the bankrupt estate of another, merely because the former's property happened to be found in the possession of the latter. Cf. Gorman *v.* Littlefield, 229 U. S. 19, 25. But this, Congress has neither done nor attempted when Section 60 (e) is construed as we have hereinbefore construed it.

What we have already said applies equally to the claim of Freeman. He was likewise a cash customer prior to the broker's bankruptcy. Whether the transfer to Freeman of the shares which he had purchased and had fully paid for was the creation of an intended preference is a matter to be raised under other relevant provisions of the Bankruptcy Act as allowed for by paragraph (5) of Section 60 (e). As in the case of the other three claimants, Freeman is also entitled to reclaim.

The decrees of the District Court at Nos. 7720, 7721, 7722 and 7723 are affirmed at the costs of the bankrupt estate.

A true Copy:
Teste:
Clerk of the United States
Circuit Court of Appeals
for the Third Circuit.

Rails Had 80,504 New Freight Cars On Order

Class I railroads on Nov. 1, 1941, had 80,504 new freight cars on order, compared with 27,459 on the same day last year, the Association of American Railroads announced on Nov. 21.

New freight cars on order on Nov. 1, this year included 53,452 box, 22,169 coal, 326 stock, 2,059 flat, 1,730 refrigerator and 768 miscellaneous cars.

Class I railroads on Nov. 1, this year, also had 611 new locomotives on order of which 284 were steam and 327 electric and Diesel. On Oct. 1, 1941 there were 671 new locomotives on order, of which 309 were steam and 362 were electric and Diesel. New locomotives on order on Nov. 1, last year, totaled 196, which included 131 steam and 65 electric and Diesel.

In the first ten months of 1941, Class I railroads installed 64,680 new freight cars in service, compared with 54,791 in the same period last year.

Of the total number of new freight cars installed in the 10 months' period this year, there were 34,128 box, 26,412 coal, 1,583 flat, 1,853 refrigerator, 123 stock and 581 miscellaneous cars.

In the first ten months of this year, the railroads also put in service 425 new locomotives, of which 117 were steam and 376 electric and Diesel. Installed in the first 10 months last year were 320 new locomotives, of which 84 were steam and 236 electric and Diesel.

Foreign Front

(Continued from First Page)

States. This is the sum and substance of the so-called understanding which, it must charitably be supposed, has some esoteric and undisclosed significance for the New Deal.

When the Mexican authorities signed this agreement, they are reported to have expressed some of their appreciation by sending to United States Treasury officials considerable quantities of that potent Mexican drink, tequila. This, no doubt, is as it should be, for the United States Treasury will need large amounts of tequila to drown out the criticism occasioned by the handsome promises of many millions to a country that engages in what the State Department itself has called "confiscation" of American property.

Far from adjusting that problem of confiscation, the new understanding merely provides an avenue for official discussions, with a reasonable outcome not even visualized. The American oil companies, as principal owners of the $450,000,000 foreign-owned oil properties which Mexico confiscated in 1938, apparently are to participate in the negotiations concerning their possessions only to the extent of furnishing evidence, if requested, to two experts, to be appointed by the Mexican and United States Governments, respectively. No indication is afforded of the position that British owners of oil properties in Mexico will occupy.

Under the principles now set forth by Secretary of State Cordell Hull, in agreement with the Mexican Government, the two experts are to reach an agreement which will not be appealable. If no agreement results, each expert will report separately, all such work to be completed within five months. The two Governments, in that case, are to reach a diplomatic accord on the oil property confiscation. Failing that, a down payment of $9,000,000 placed by Mexico in the hands of the United States Government will be returned to Mexico; otherwise the sum will be applied on any final settlement.

Nor does this tentative complete abandonment by the United States Government of the rights of its own citizens in Mexico encompass the full extent of Washington's dereliction. "Today's agreements," the Washington correspondent of the New York "Times" states, "apparently will make available to Mexico suffiicent United States Government funds to permit Mexico over a period of years to indemnify American owners of nationalized petroleum properties." The funds that Mexico tentatively agrees to pay, in other words, are to be taken in the first place from the pockets of hard-pressed taxpayers within the United States.

This travesty on justice, it is to be noted, is perpetrated by a Government which set itself up as a valiant champion of truth, justice and fair-dealing in international affairs. Needless to say, the oil companies concerned promptly and emphatically announced that they could not accept such a "validation of the original confiscation." In announcing these terms, Mr. Hull insisted that the oil companies would not be compelled to abide by the decisions of the Governments. The alternative seemingly will be a return to Mexico of the $9,000,000 of American taxpayers' funds handsomely deposited by Mexico.

Another portion of the Washington-Mexico City agreement deals with agrarian and "general" claims by United States citizens against Mexico. In full settlement of such property claims Mexico is to pay $40,000,000, of which $3,000,000 already has been transferred while a further $3,000,000 is to be made immediately available. The remaining $34,000,000 will be paid in annual instalments of $2,500,000 beginning next year, indicating that considerably more than a decade must pass before Mexico completes this part of the agreement.

In view of the Mexican debt record, the American claimants doubtless will await each annual instalment with trepidation. Nothing whatever is said in the agreement, it may be added, respecting the more than $300,000,000 face amount, without interest, of Mexican dollar bonds which have been in default since 1914.

The kindly condescension of the Mexican Government in the matter of claims is nobly rewarded by the United States Government, albeit at the rather stringent expense of United States citizens. Under a peso stabilization accord our Treasury Department is to make available to the Bank of Mexico $40,000,000, pronto, and conferences on economic problems of mutual interest are to be held. Our Treasury will buy no less than 6,000,000 ounces monthly of the Mexican production of silver, although no one yet has been able to suggest a sensible use for the vast surplus of silver already possessed by our Treasury. Our official Export-Import Bank, finally, is to supply Mexico with credits totaling $30,000,000 for highway construction.

No adequate explanations have been advanced by any official for this high-handed dealing with the legitimate rights and interests of United States citizens and their funds. Secretary Hull declared in a formal statement that the agreement constitutes a concrete "proof of the fact that problems existing between nations are capable of mutually satisfactory settlement when approached in a reciprocal spirit of good-will, tolerance and a desire to understand each other's points of view." The objections of the oil companies and the neglect of American investors in Mexican bonds make it quite clear that the "mutual satisfaction" to which Mr. Hull referred does not extend beyond that tequila party which the Mexicans felt impelled to provide.

Far Eastern Crisis

Diplomatic exchanges are continuing between Tokio and Washington with respect to the dire situation in the Far East, but no great comfort can be gained from preparations at Washington for any and all eventualities. The crisis possibly will not move to a show-down in warfare, at this time. All the lines are tautly drawn, however, and neither side shows a disposition to retreat.

The insistence of the United States Government upon abandonment by Japan of East Asian aggression doubtless has been conveyed by Secretary of State Cordell Hull to the special Japanese envoy, Saburo Kurusu. In this delicate game the strongest cards in Mr. Hull's hand are Anglo-American friendship and termination of the virtual trade embargo against Japan. Some Washington reports suggest that withdrawal of Tokio from the Axis is urgently requested by our State Department. If this is the case, the Japanese signature of the renewed anti-Russian pact in Berlin, Tuesday, constitutes a serious rebuff.

For Japan the decisions now faced are crucial. Cabinet changes and internal upheavals might follow a withdrawal by Tokio from a course that already has cost Japan untold lives and treasure and that has been dinned into Japanese ears as "immutable" policy. That the present leaders of Japan are not inclined to take such risks, however admirable the move might be in the end, is indicated by pressure upon Thailand for entry of "protective" Japanese military units. Best informed Far Eastern experts in this country are hopeful of a Japanese turn toward pacifism but really expect little more than a stalemate in diplomatic relations and military developments. Those who cannot embrace this relatively optimistic viewpoint are gloomily predicting war.

That official Washington does not view matters brightly is indicated by withdrawal of those American gunboats on the lower Yangtze which might be within reach of Japanese forces in the event of war. This follows the orders for departure of all American marines from China. Our diplomatic and consular officials in the Far East issued fresh warnings, Tuesday, for all Americans in Japanese-occupied zones to leave imdiately.

Bearing sharply upon the Far Eastern problem are several meetings held in Washington by Secretary Hull with representatives of the United Kingdom Australia, China and the Netherlands East Indies. The first of these gatherings occurred last Saturday, and another followed on Monday. There was no perceptible increase of optimism after these conversations.

American War Measures

That the United States Navy now is engaged, under President Roosevelt's orders, in a full-dress shooting war with Germany is obvious, despite the continuance of diplomatic relations between Washington and Berlin. Repeal of all essential provisions of the Neutrality Act will mean the shipment of war materials clear to England, in American bottoms, and the convoying of such vessels. Secretary of the Navy Frank Knox declared late last week that armed American merchant ships will be ranging the high seas before the end of this month.

In a radio address from London, last Sunday, W. Averell Harriman asserted flatly that the U. S. Navy "is shooting Germans—German submarines and aircraft at sea." Mr. Harriman enjoys the distinction of being official "war-aid expediter" for President Roosevelt, and he presumably had full authorization for some rather astonishing comments to his British audience. The recent changes of our neutrality legislation and extension of lend-lease aid, Mr. Harriman averred, were intended to "keep us out of war." Reports of the address did not enlarge on the difficulty of reconciling his assurance that our Navy is shooting Germans with his comment that the United States intends to keep out of war.

Possibly in order to create a diversion, Mr. Roosevelt sent American forces off in a new direction, Monday. The White House announced that United States Army units are to protect immediately the bauxite (aluminum) mines of Dutch Guiana, or Surinam, which account for a large part of our bauxite supply. Because of unsettled conditions in the Far East, it was indicated the Netherlands Government-in-Exile cannot assure the proper protection of its possessions in this Hemisphere, and the task accordingly was undertaken by the United States, with at least the benevolent support of Brazil. "Present dangers" confronting the bauxite properties thus will be met, according to the White House, which did not specify what those dangers may be. The proximity of Dutch and French Guiana gained wide attention and generally was believed responsible for this move. American troops will be withdrawn, it was stated, as soon as the present danger to the mines is removed, and at the latest at the conclusion of hostilities. Berlin viewed this move as an evidence of American imperialism.

Lend-lease aid, according to a further Washington announcement on Monday, will be extended to the Free-French forces of General Charles de Gaulle, on the alleged ground that the activities of the group opposing the Vichy Government are vital to the defense of the United States. Another aspect of lend-lease assistance was disclosed last Friday, in the form of an understanding with Great Britain and Iceland, whereunder American dollars are to be paid to Iceland in payment for exports of fish and other supplies to Great Britain. Terms of this accord were not published.

Libyan Offensive

Disclosure was made in London last Thursday of a new and highly important strategical move in the vast war between the democracies and Russia on the one side, and the Axis Powers and their satellites, on the other. Beginning at dawn on Nov. 18, London reported, the assembled forces of the British Empire began a Blitzkrieg dash from Egyptian border bases into Libya, where the Germans and Italians were well known to have powerful units. The conflict was regarded principally as one between mechanized units, with American war supplies the main reliance of the British.

The considerations motivating the British in this renewed Libyan campaign doubtless are numerous. The principal aim, of course, is that of smashing the enemy, wherever he may be found. But incidental aid to Russia, and the stilling of the home clamor for a second front against the Nazis, may well have played a leading part. Success in the endeavor, moreover, might end in an Italian withdrawal from the war, or perhaps, according to some London optimists, in an invasion of Italy. A drive through Libya would place the British on the borders of Tunisia, and perhaps might change the course of events in all of French Africa, it was suggested.

In view of these and other considerations, world - wide interest was occasioned by the gallant British dash through the wastes of the Western Desert. Prime Minister Churchill anounced the move with evident satisfaction, in the House of Commons. The battle, however, is proving a stiff one, with the outcome not entirely clear, although some long mechanized and foot marches already have been taken by the British units.

The clash of the mechanized units, Mr. Churchill declared, is like a sea battle, in which all may be settled one way or another in the course of a few hours. Mere occupation of territory was deprecated by the Prime Minister, who said the main aim is destruction of the armored and other forces of the enemy. In the initial phase of this battle the British made a brilliant and successful strategic approach and gained positions of marked advantage, he added. This is the first time, Mr. Churchill said, that British forces have met the Germans at least equally well armed and equipped.

The cautious optimism of this statement by Prime Minister Churchill was amplified by numberless "arm-chair strategists," who pointed to marked British aerial superiority over the Western Desert, and the firm hold of the British Navy upon the Eastern Mediterranean. The many interruptions occasioned to Axis supply lines over the Mediterranean inculcated hopes of an almost instantaneous victory. After more than a week of bitter fighting the British appear, indeed, to have the upper hand, but the lines of battle continue to sway back and forth.

The British units, commanded by Gen. Sir Claude Auchinleck and Lieut. Gen. Sir Alan Gordon Cunningham, plunged deep into Libya on the initial drive. Several columns swept around well fortified positions on the Egyptian border held by the Axis forces under Gen. Erwin Rommel. This move plainly was intended to relieve the besieged garrison of Tobruk, whence the British forces emerged in a drive southward to join the units coming from Egypt.

In the first eight days of this vast and vitally important battle, the British Empire units have achieved a number of signal successes. They forced the Germans and Italians to evacuate Bardia, and captured Gambut, both coastal points being of importance to the Axis supply system. German aerial units are reported to have been dispatched hastily from Russia to meet this drive, and great assistance thus appears to have been given the battered Russians. Straight across the sandy desert one British armored unit drove 200 miles, and threatens to cut Axis supply lines from Tripoli.

Losses on both sides apparently were sizeable, and at last reports the number of mechanized units put out of battle on both sides was so great that infantry divisions were said to be the possible final answer to the clash. Each side claimed hundreds of opposing tanks, trucks and other motor units out of action. The principal mechanized battle occurred some forty miles south of Tobruk, where eye-witnesses reported indescribable confusion as the monster tanks sped about in apparent disregard of battle lines. Claims and counter-claim yesterday failed to clear up the confusion, and it may be that some further days must elapse before the outcome is determined. That the British have the upper hand in general, however, is indicated by almost all reports.

Nazi Push in Russia

Grave threats to Moscow and other important Russian cities once again have developed, in consequence of German Nazi drives that are continuing with the utmost abandon and unquestionably with heavy loss of life. The desire of Hitler to achieve outstanding successes before deep winter settles over the Russian landscape is apparent in this costly and at least partially successful movement. There are indications, however, that the Russians are hammering the invaders back in the Eastern Ukraine. Whatever the outcome of the immediate battles, it is evident that the Russians intend to fight on and on.

The main Nazi push in the latest battle of encirclement began last Saturday, and it was clear after a day or two that a ring of steel around the Soviet capital is the goal of the Germans. Vast forces which at some points admittedly are numerically superior to the Russians were employed by the Nazis. Disregarding the terrible costs, the legions of Hitler took villages and towns, and yesterday were reported actually within sight of the spires of Moscow.

Eastward from Tula the Germans drove their way, and yesterday were reported at Stalingorsk, southeast of the capital. Due west of the German objective, the battle raged around Volokolamsk. From the area northwest of Moscow, the Germans drove down and claimed the capture of Solnechnogorsk. These captures and battle lines signify a vast semicircular struggle around Moscow, which the Communists admit entails a serious threat to the capital.

Far to the south the Russian forces engaged in strenuous counter-attacks and claimed sizeable successes. The Germans took Rostov, on the Don, last Saturday, according to Berlin dispatches. This gave them the "spigot" of the Russian oil lines from the Caucasus. North and West of that city however, the Red Army forced the Nazis back some 60 miles, according to Russian spokesmen. In Leningrad the Russians still are bottled up, although sortees are attempted day after day. East of Leningrad the Communists claimed successes against German troops at Tikhvin.

Britain and Germany

Little more than an occasional skirmish was reported this week in the aerial struggle in Western Europe, and even the warfare on the high seas seemingly tended to diminish. This may be due partly to the weather, and the trend may be accentuated by emphasis upon the Libyan and Russian campaigns. But modest events still gain notice, which suggests that the struggle in reality has been modified, for one reason or another.

Some significance possibly attaches to an authenticated instance of a British patrol effecting a landing on the French coast. The German High Command mentioned this foray Tuesday, and claimed that the British were beaten back with heavy losses. London confirmed the incident later on the same day, and added that only one member of the landing party was injured. Whether this presages more impressive British attacks is not clear.

In the aerial conflict the British sent a few squadrons roaring over Continental Europe, and the Germans reciprocated meagerly. Ship sinkings on the high seas apparently were much smaller than usual. This impression as to the Battle of the Atlantic was bolstered by the arrival of important convoys, intact, in British ports.

Debate on Finland

Findland's determination to do battle against Russia in defense of her people and territory is matched by the persistence with which the international debate on the small Scandinavian country is carried on. The small democratic country of Europe appears to be unimpressed by the threats of the great democracies which affected friendship for Helsinki until the Russo-German war gave Finland an opportunity to regain part or all of her territory. This, of course, is an excellent reason for assuming that only Finnish interests will guide her in the future.

In the meanwhile, Finland's own particular war against a Russia which still holds Hango and other indisputably Finnish territory, occasions acute embarrassment at London and Washington. The polite and reasonable Finnish statement has impressed Washington, for a time at least. In London, Foreign Secretary Anthony Eden informed the House of Commons, last week, that the British Government is taking "military and naval action" against Finland, as well as Hungary and Rumania.

This indication that England now is warring against a country for which undying friendship was expressed only last year is a brilliant example of the swift and unpredictable changes occasioned by the course of this war.

Russian authorities had the effrontery, early this week, to claim that Finland is not fighting a war of self-defense. To this the Finnish Minister to Washington, Hjalmar Procope promptly replied that Russia has only herself to blame for her troubles on the Finnish front. There are, nevertheless, rumors afloat that a "tacit armistice" may develop between Finland and Russia. Some of these reports come, surprisingly enough from Helsinki via Berlin, with the comment added that Berlin would have no objection. It would be a truly satisfactory development of the war if Finland were enabled to halt the battle in the frosty north.

The Administration in Washington rejoined the debate on Tuesday, when Secretary of War Stimson made his irritation manifest by charging publicly that large bodies of German troops are with the Finns along the Northern front, with the intention of closing the Murmansk-Moscow route for supply reinforcements from the democracies. That the Finns are offering the Germans great assistance in a manner that cuts across the American national interest in the supply of lend-lease material to Russia also was indicated by General J. H. Burns, who recently returned from Russia. The Finnish attitude was "deplored" by both American spokesmen, who urged alteration of the position.

Captive Europe

Fresh alignments in Europe, induced or enforced by the war, are almost a matter of course, although they are certain to collapse when peace is restored. Several incidents of recent days reflect the tensions occasioned in the Old World, which now is almost entirely under the Nazi military heel. That France is moving toward greater collaboration with the German conquerors has been made evident, and the Nazis are obviously endeavoring to swing much of the population of Continental Europe into a crusade against Communist Russia.

Because of certain far-reaching implications the trend of Vichy toward acceptance of German demands is of considerable significance. General Maxime Weygand, leader of the so-called loyal French forces in Africa, was "retired" last Thursday, possibly because he never bowed to German demands. Weygand's post as virtual Pro-Consul in French Africa was abolished. London and Washington took it for granted that this means Nazi penetration of African colonies, and possibly the granting by Vichy of military privileges to the Germans in Dakar and other vital outposts. Some well-informed independent observers contest this view, but Washington already is taking measures against Vichy, such as granting lend-lease aid to the Free French leader, Gen. Charles de Gaulle.

Reports remained in circulation, over the last week-end, of an impending Nazi bid for pacification of that part of Europe within the German grasp. The White House secretariat took a hand in the circulation of these rumors, last Saturday, by announcing that a Pan-European economic conference soon is to be called by Hitler. As a possible first step toward such a gathering, Marshal Henri Philippe Petain will soon journey to occupied France for a meeting with a "high German personage." It is held obvious that the aged French Chief of State will meet the German Fuehrer in this discussion, which may well concern not only the French colonies, but also new dispositions for the French Navy.

Indicative of the German intentions was a Berlin meeting, Tuesday, at which representatives of thirteen nations pledged adherence to the so-called "anti-Comintern pact." The German Foreign Minister, Joachim von Ribbentrop set the tone for the gathering by declaring that the signatories "will never rest" until Communism is destroyed. Nations "adhering" to this pact for one reason or another are Germany, Italy, Japan, Finland, Spain, Denmark, Hungary, Rumania, Bulgaria, Slovakia, Croatia, Manchukuo and the puppet regime at Nanking, China.

From Washington

(Continued from First Page)

Honest Vic off. Honest Vic couldn't be headed off and West after his defeat, and unable to get his college job back, was a man needing to be politically helped. He had made the sacrifice of what seemed a promising Congressional career to carry out the President's whim of defeating Honest Vic.

Since that time, Mr. Roosevelt on top of his many other undertakings such as defeating Hitler, has been engaged in trying to "take care" of West, with his subordinates apparently being determined that West is not to be taken care of. Shortly after his defeat West was made Under-Secretary of the Interior and after a period, and one day while he was out presumably on an errand for the President, Harold Ickes walked into West's office and decided that inasmuch as he was not present, he was not doing anything in behalf of the Interior Department, and he wasn't, and forthwith Harold kicked him out. All of the Washington newspapermen marvelled that Harold could do this to the President's friend and get by with it.

Now, only a few days ago, just when it seems that West is doing right well in the business of "being close to the President," he sues the Empire Ordnance Company, which according to his complaint, is a makeshift of his ability to get war contracts, for $700,000. He claims this is a 1% fee on $70,000,000 worth of contracts which he has gotten for this alleged mushroom growth of an organization which now has, according to his complaint, some 17 subsidiaries, six plants including a shipbuilding company. Washington newspapermen, reading this, say to themselves, "Well, Charlie's friendship with the President is getting returns." But then they learn that Charlie's house in a fashionable Washington suburb, is being foreclosed on a $20,000 note held by none other than Bill Julien, Democratic National Committeeman from Ohio, and Treasurer of the United States. Julien's name is on all the dollar, five dollar, twenty dollar bills, etc., issued by the Treasury. Why in the name of goodness Julien should want to kick one of the President's friends around in this manner is something difficult to understand. That Julien wanted to kick him around is evidenced by the fact that when West's home was auctioned off, Julien was sitting out in front in an automobile, watching the transaction.

But this isn't all. The President is having all sorts of trouble getting the Pope to see the Hitler menace in the same light as he does. He has had Myron Taylor over in Vatican City conferring with the Pope with little or no success. Several weeks ago it had been arranged for a couple of prominent Catholic laymen to go over and talk with the Pope. One of them was Charlie Safford of Cincinnati. It was suggested to them that the President would like for Charlie West to go along, because although he is not a Catholic he can speak Italian. It so happens that the Pope speaks English. Anyway the trio got to New York. Their trip had been widely related in the press. For some reason or another, the State Department called it off. Charlie West didn't get to make this trip

If this was the only time some fellow to whom the President felt friendly and obviously wanted to help out, was kicked around, it wouldn't arouse so much comment. But, just to mention one more, and a dozen others could be mentioned, there is the case of Tommy Corcoran. Tommy is also making money "representing clients" in Washington, just as West was doing, if he could collect it. And having made a lot of money, Tommy wants to get back in the Government in a place of dignity and with a title so bad that he can taste it. Mr Roosevelt has tried to place him all over town. His subordinates won't let him. It is amazingly strange that a man who can make Congress bow to his will to the extent of waging an undeclared war, can't get favored treatment for his friends. In this situation lies the utter confusion in the Washington Administrative set-up. The President has the popular following but no the hold, or discipline over his subordinates.

An example of this, is some behind-the-scenes play in the set-to with John L. Lewis. Regardless of the decision in the arbitration of the captive mine dispute, the fact remains that the National Defense Mediation Board has been torn apart and there is a question as to whether it will survive. Lewis has made a great play on its having failed at mediation and the CIO has withdrawn its two members.

The Board was created several months ago at the height of a wave of strikes in defense industries, at a time when Frences Perkins was out on the Pacific Coast making speeches at $500 a speech. It was the creation of Sidney Hillman whom Lewis despises because the New Deal ever since Lewis broke with it has been advancing him in labor circles to the disadvantage of Lewis. Miss Perkins introduced Hillman to the New Deal in the old NRA days. He was the brains, even then, behind the CIO, but Lewis was a better front and the New Deal advanced him in that capacity. After Lewis' break with Roosevelt, Hillman was sent to the Albany convention of the American Labor Party in the fall of 1940, to hold the "right wingers" of this decidedly leftist party, in line for Roosevelt, and push Lewis into taking on Communists for his support. In Washington, with Lewis fighting him in the CIO, Hillman, strangely enough, got his greatest support from the AFL crowd. They are strongly antagonistic to Lewis, holding him responsible for the split in labor. To get this support from the AFL, Hillman made plenty of bargains, such, for example as giving the AFL building trades a closed shop in all defense building.

When Hillman brought about the establishment of the National Defense Mediation Board in her absence, Miss Perkins hit the ceiling and has been on the warpath against Hillman ever since. It will be recalled that she first wouldn't certify any controversies to the Board, until Senator Byrd of Virginia, got up on the floor of the Senate one day and threatened her. Since that time she has been working with Lewis to undermine the Board.

They have succeeded in doing it. The conciliator in the captive mine dispute whom Lewis accepted was Steelman, Miss Perkins' man. She comes back to the front, after having been virtually removed as Labor Secretary, although that remained to be her title. A lot of observers insist that the whole Lewis endeavor was with a view to advancing unionization in the steel industry. This observer believes that as important as anything were the personalities and animosities among the big shots that were involved.

Apparently the CIO convention at Detroit in the sour reception they gave to Lewis' friends, didn't think he was making any sacrifice for the steel industry. Summed up, this writer believes it was Lewis' hatred for the President in the first place and just as deeply, his hatred for Hillman. In kicking Hillman's Mediation Board in the pants, Lewis won something, though it is amazing to what extent men will go to accomplish such ends.

Anyway, what have been cited above, were important factors in the background.

The so-called Liberals must see red in the action of the Administration in sending troops to guard the Aluminum Company's bauxite deposits in Dutch Guiana. Here is a case of the "Liberals" such as Harold Ickes, being torn between two urges: Protect that despised "monopoly" of Alcoa or take another "war" step. Alcoa owns the aluminum deposits in Dutch Guiana and the adjoining British Guiana. And no seasoned observer of the propaganda in Washington thinks either was in danger. But now that Dutch Guiana has been occupied it is but a figurative stone's throw to Dakar.

The argument already is being advanced that the nearby "free French" might have been moved to try to seize the Dutch Guiana deposits. The same argument applies to Dakar which the "free French" already possess. First, we seized Greenland to keep Hitler from seizing it; then Iceland for the same reason, now Dutch Guiana. We have advanced over the last war. Then we only talked about the Kaiser attacking us. Now, we actually move to head off his counterpart. Far more realistic.

Illinois Employment Up

Reports from 6,666 combined Illinois industrial and business establishments show increases of 0.5% in employment and 2.0% in payrolls for wage earners in these establishments from September to October, 1941, according to an announcement issued Nov. 21 by the Illinois Department of Labor. These percent changes are based on reports covering a sample group of 819,975 wage earners in Illinois manufacturing, trade, service, public utility, coal mining, and building construction establishments. The Department's announcement further stated:

> The changes in employment and payrolls for all-reporting industries in the current month closely approximate the average September to October changes in the previous 18-year period, which were an average increase of 0.3% for employment and an average increase of 2.1% for payrolls. Increases in both employment and payrolls from September to October were noted in 10 of the previous 18 years (1923 through 1940), and a rise in payrolls with a small decline in employment for four other years.
>
> There has been an increase in both employment and payrolls for the combined group of reporting establishments for each month since April, 1940, or for an 18-month period, with but one exception. The exception was the approximately normal seasonal decline in both series from December, 1940, to January, 1941.
>
> On the basis of available information it is estimated that there were approximately 300,000 more persons employed by non-agricultural establishments in Illinois in October, 1941, than during the same month of last year, and that there were approximately 330,000 more employed in October, 1941, than in October, 1939.

Items About Banks, Trust Companies

Guaranty Trust Company of New York announces the appointment of Joshua G. B. Campbell as an Assistant Secretary. Mr. Campbell was formerly Assistant Manager in the company's Paris office.

The Guaranty Quarter Century Club, composed of employees, officers, and directors of the Guaranty Trust Co. of New York who have served the company for 25 years or more, was inaugurated on Nov. 10 at a dinner attended by 177 members at the Starlight Roof at the Waldorf-Astoria. The club has a charter membership of 212, including a chapter in London, where the company has had offices for 45 years. The roster also includes 47 members who are retired on pension.

Announcement was made on Nov. 12 of the election of Elmer G. Tewes, Assistant Trust Officer of the Guaranty Trust Co., as first President of the Quarter Century Club. Other club officers chosen for the ensuing year are Assistant Trust Officer Lawrence D. Scheu, First Vice-President, and Chief Clerk Manuel Martinez, Secretary.

Speakers at the inaugural dinner on Nov. 10 included William C. Potter, Chairman of the Executive Committee of the bank; W. Palen Conway, Chairman of the Board, and Eugene W. Stetson, President, all of whom have served the company 25 years or more and are members of the new club. Mr. Conway presented the club's first membership certificate to Charles J. Haulenbeek, 84, who joined the staff in 1881 and entered the ministry following his retirement from the bank on pension in 1917. Membership in the club is honorary, and new members who become eligible during the year will be inducted at dinner meetings to be held annually. In addition to membership certificates and gold service emblems, members other than officers of the bank receive an extra week's vacation upon attainment of 25 years of service.

The Manufacturers Trust Co., New York City, has been authorized by the State Banking Department to open a branch office at 29 Broadway for the purpose of conducting Personal Loan Department operations. The Banking Department has also authorized the trust company to open a branch office at 42 Broadway, formerly the head office of The Mortgage Corporation of New York, which was taken over by the bank on Oct. 1. This latter office will be maintained as an office of the mortgage management division of Manufacturers Trust Co. Reference to the bank's taking over the mortgage servicing business of The Mortgage Corp. was made in these columns Oct. 9, page 502.

At the regular meeting of the Directors of The National City Bank of New York on Nov. 5, Walter J. Hoffman was appointed Vice-President. Mr. Hoffman joined the staff of The National City Bank of New York in 1920. Prior to that he had been associated with the Canadian Bank of Commerce. Attached to the Bank's Comptroller's Department, he served in the capacity of Branch Inspector and his duties took him throughout South America, West Indies and Europe in the Bank's interests. In 1925, he was made Chief Inspector of branches in South America and devoted his time exclusively to that assignment. In 1928, Mr. Hoffman returned to the bank's head office where, it is stated, he has since been an important official in the administration of the bank's affairs in South America. Mr. Hoffman was formerly an Assistant Vice-President.

Allen Grey Hoyt, who retired Jan. 1, 1941, as Vice-President of the City Bank Farmers Trust Company and The National City Bank of New York, which organization he joined in 1902, died at his home in New York City on Nov. 4. He was 65 years of age. In the announcement of his death it was stated:

> Mr. Hoyt had an unusually broad experience and served financial circles prominently throughout his career in the study of investment and trust problems. A native of Aurora, Illinois, he studied law in Washington, D. C., and following his graduation from the University of Chicago, joined the newly created Bond Department of The National City Bank. From 1907 to 1916 he was associated with N. W. Halsey & Co., rejoining the National City organization in 1916. He was a charter member of the bank's Quarter Century Club, an organization whose membership embraces all employees with 25 or more years of service.

The following were Honorary Pallbearers at the funeral of Mr. Hoyt on Nov. 6: Gordon S. Rentschler, Lindsay Bradford; Bascom Torrance, Stanley Russell, George Weeks, E. W. Harden, John Godfrey Saxe, Harry Freeman, Col. Sosthenes Behn and Edwin F. Chinlund.

Manufacturers Trust Co., New York City, has been authorized by the State Banking Department to move its branch office from 128-130 East Fordham Road, Bronx, to 2487 Grand Concourse, on or after Dec. 1, it is learned from the Department's "Weekly Bulletin," issued Oct. 24.

The Central Hanover Bank and Trust Co., New York City, gave a dinner at the Hotel Roosevelt on Nov. 18 in honor of employees, officers and trustees who have been connected with the institution for 25 years or more. Plans for the permanent organization of a Quarter-Century Club were adopted, and Herbert T. Magruder, Assistant Vice-President who has completed 39 years with the bank, was elected President of the new organization. Of the 188 eligible for membership in the club, 151 are on the staff of the bank at the present time. Twenty-four have records of more than 40 years' service. William S. Gray, Jr., President of the Bank, presented to each of the 151 active members of the club a $100 defense bond as a "diploma." Expressing the bank's appreciation for the loyalty of each member over such a long period of time, Mr. Gray declared, "Such a record is a significant achievement, and the bank wishes to make recognition of it in a significant way." The longest record of continuous service is held by Henry R. Carse, Trustee, who joined the Hanover National Bank 55 years ago. Walter G. Nelson, Assistant Vice-President, holds the record among members now employed by the bank, with 49 years of service.

Directors of Corn Exchange Bank Trust Co., New York City announces the election of William L. Cronin, formerly an Assistant Vice-President, as a Vice-President. The bank also announces that Ford Wright, manager of the bank's Grand Central Branch, has been elected an Assistant Vice-President and that Thomas A. Rogers and Merwin S. Jenkins were appointed Assistant Secretaries, and William H. Blum, Assistant Controller.

At a recent meeting of the Board of Directors of Bankers Trust Company of New York, W. J. Kenny, formerly Assistant Vice-President, was elected a Vice-President; C. Borman, formerly Auditor, was elected Assistant Vice-President; D. B. Mathias, formerly Assistant Auditor, was elected Auditor; Roy A. Dye, formerly Assistant Treasurer, was elected Assistant Vice-President; F. W. Boehm, formerly Assistant Treasurer, was elected Assistant Comptroller; R. B. Lee was elected Assistant Comptroller, and C. H. Redfield, Assistant Treasurer.

The Schroder Trust Company of New York announces the election of John W. Donaldson as Vice-President at the Nov. 12 meeting of the Board of Directors. From 1930 to 1937 Mr. Donaldson was a Vice-President of Atlas Corp. More recently, Mr. Donaldson has been on the personal staff of Wendell L. Willkie. Mr. Donaldson, who is also a Director of Pennsylvania-Central Airlines, assumed his duties at the Schroder Trust Company immediately.

E. Hicks Herrick, a retired banker and broker, died on Nov. 3 at his home in New York City at the age of 74. A native of New York, Mr. Herrick was graduated from Princeton University in 1888 and attended the Columbia Law School, and was admitted to the New York Bar in 1890. His banking career consisted of assotiation with the Title Guarantee and Trust Co. and the Real Estate Trust Co., now the Fulton Trust Co. During his many years in Wall Street, Mr. Herrick helped to organize several Stock Exchange firms, retiring in 1931 from the firm of Butler, Herrick & Marshall. Mr. Herrick has been Chairman of the Board of the Gray Processing Co.

Francis Robinson Henderson, founder and first President of the New York Rubber Exchange, died on Nov. 13 at the Presbyterian Hospital of Columbia-Presbyterian Medical Center, New York City. He was 57 years old. Mr. Henderson, who had been engaged in the rubber trade for over 40 years, made and lost two fortunes in that commodity. He began his career in the employ of Robinson & Co., of which his uncle, Francis H. Robinson, a New York rubber importer, was senior partner. Becoming a member of this company in 1907, Mr. Henderson two years later organized his own firm, Henderson & Korn, with Ernest A. Korn as partner. This firm continued in business until Mr. Korn's retirement in 1917, when Mr. Henderson continued the business under the name of F. R. Henderson & Co. Mr. Henderson went to Singapore in 1918 and bought the International Trading Company. Later he organized Henderson, Forbes & Co., in London and New York. The business, said the New York "Herald Tribune," prospered until the crash in rubber in 1921, when Mr. Henderson lost all that he had made. He persisted in the rubber business, however, and through loans, organized the Crude Rubber and Foreign Products Corporation, which was succeeded by Henderson, Helm & Co. In 1926, Mr. Henderson was a founder of the Rubber Exchange of New York, Inc., and served as President from 1926 to 1930, after which it was merged with the Commodity Exchange, Inc. When the rubber market fell to a record low in 1930 Mr. Henderson again lost a fortune. He later was head of the rubber department of Clark, Childs & Co.

Mr. Henderson had been a Director of the National Metal Exchange, the National Raw Silk Exchange, the New York Burlap and Jute Exchange and the New York Hide Exchange.

The Middle Atlantic Division of the Association of Bank Women on Nov. 7 honored their newly elected National Vice-President and retiring National Vice-President at a dinner given at the Hotel Sherry Netherland, New York City. The officers are Miss Henriette J. Fuchs, Trust Officer, Underwriters Trust Co., New York, elected as National Vice-President at the 19th annual convention of the Association held in Chicago Sept. 26-30, and Miss Elizabeth S. Grover manager of the Women's Department, Chase National Bank, 42nd Street Branch, retiring National Vice-President.

David C. Dalziel, Assistant Secretary of the South Brooklyn Savings Bank, was elected President of the Savings Banks Officers' Association Group V of the Savings Bank Association of the State of New York at a dinner meeting held Oct. 16 in the Hotel St. George, Brooklyn.

The organization was formerly known as the Junior Officers' Association Group V of the State Association. Mr. Dalziel succeeds William G. Smith, Assistant Cashier of the Brooklyn Savings Bank. Other officers elected were Howard R. Wright, Secretary of the Kings Highway Savings Bank, Vice-President; Christian Mende, Assistant Secretary of the Greenpoint Savings Bank, Secretary, and Clinton L. Miller, Assistant Secretary of the Dime Savings Bank of Brooklyn, Treasurer.

Oliver P. Vreeland, retired banker, died on Oct. 25 at his home in Jersey City, N. J. He was 88 years old. Mr. Vreeland was Vice-Chairman of the Board of the Trust Company of New Jersey when he retired in 1936. A descendant of a family that settled in Jersey City in 1637, Mr. Vreeland in 1904 was one of the organizers and Secretary-Treasurer of the Greenville Banking adn Trust Co. of Jersey City, later becoming President of the Bank. When this institution was merged with the Trust Co. of New Jersey in 1929 Mr. Vreeland was made Vice-Chairman and held that position until his retirement in 1936.

In a recent announcement Ernest Clayton, President of the Industrial Trust Company of Providence, R. I., stated that the Directors of the institution had named T. Dawson Brown as Vice-President and Treasurer.

Mr. Brown, who had previously been Vice-President and Assistant Treasurer, assumes the post held by Mr. Clayton prior to his recent election as President.

The Providence "Journal" further states that the Board also named M. Randolph Flather Assistant Treasurer and H. Raymond Searles Assistant Secretary. Mr. Searles formerly was an Assistant Trust Officer.

James H. Wakelin, President of the Holyoke National Bank, died on Nov. 3. Mr. Wakelin was also Treasurer of the department store of McAuslan & Wakelin Co., Inc. He succeeded his father as general manager of the store in 1921.

Henning Chambers, leading Louisville banker and broker, died on Oct. 23. He was 68 years old. Although Mr. Henning had retired from leadership of the financial enterprises which dominate dhis earlier life he had been active up to the time of his death. The following is from the Louisville "Courier-Journal" of Oct. 24:

> Mr. Chambers was instrumental in effecting consolidation of the old Columbia Trust Co. with the Fidelity Trust Co., forming the Fidelity & Columbia Trust Co.; and the Citizens National and Union National Banks, forming the Citizens-Union National Bank.
>
> After the death of his cousin, Sam C. Henning, he organized the New York Stock Exchange brokerage firm of Henning Chambers & Co., which he conducted until 1939, when it was merged with W. L. Lyons & Co.
>
> At the time of his death Mr. Chambers was a Director of the Fidelity and Columbia Trust Co., of the Peerless Manufacturing Co. and of the American Turf Association. He gave up his membership in the New York Stock Exchange several years ago.

Frank Augustus Rolph, Chairman of the Board of the Imperial Bank of Canada, and noted Toronto business man, died on Oct. 24 at Preston, Ont. His age was 73. Mr. Rolph became Chairman of the Imperial Bank of Canada in Dec., 1936, after having served as President since 1930. He had been a Director of the bank since 1919. A native of Toronto, Mr. Rolph was head of Rolph-Clark-Stone, Ltd., lithographers, and was Vice-President of the North American Life Assurance Co., Toronto.

A condensed statement of the balance sheet of The Mitsui Bank, Limited (head office Tokyo, Japan), as of June 30, 1941, shows net profits for the six months ended that date of 20,011,261 yen (including balance from last account of 14,083,291 yen and transfer from pension fund of 120,004 yen), which was allocated as follows: 2,500,000 yen added to reserve fund; 480,000 contributed to pension fund, 147,200 yen to pay a bonus and 2,400,000 yen for a dividend to shareholders, leaving a balance of 14,484,061 yen to be carried forward to next account. Total assets are given in the statement as 2,030,677,512 yen (as against 1,728,283,958 yen on June 30, 1940), of which loans and discounts amount to 1,070,947,276 yen; Government bonds to 451,054,084 yen; cash in hand and at the Bank of Japan, etc., to 171,637,818 yen, and municipal and other bonds to 120,025,833 yen. Deposits are given as 1,773,264,805 yen (contrasting with 1,457,813,853 yen on June 30, 1940). The bank's paid-up capital remains the same as a year ago at 60,000,000 yen. The New York agency of the Mitsui Bank, Ltd., is at 61 Broadway.

The 123rd half-yearly report of the Yokohama Specie Bank, Ltd. (head office Yokohama, Japan), covering the six months ended June 30, 1941, and presented to the shareholders at their ordinary general meeting on Sept. 10, has recently been received. It shows net profits for the half-year, after providing for all bad and doubtful debts, rebate on bills, etc., of 20,901,836 yen, inclusive of 12,783,722 yen brought forward from the last account. Out of this sum, the Directors proposed that 1,250,000 yen be added to the reserve fund and recommended a dividend at the rate of 10% per annum, which will absorb 5,000,000 yen, leaving a balance of 14,525,886 yen to be carried forward to the credit of the next account. Total resources of the bank are given in the statement as 3,481,321,908 yen (as compared with 3,405,311,304 yen on Dec. 31, 1940), of which the cash account was 470,040,764 yen; investments in public securities and debentures, 859,607,253 yen; bills discounted, loans, advances, etc., 1,121,385,280 yen, and bills receivable and other sums due to the bank, 1,009,293,206 yen. On the liabilities side of the statement total deposits are reported at 2,749,223,999 yen (as against 2,531,030,328 yen six months ago). The bank's paid-up capital remains the same at 100,000,000 yen, but its reserve fund is now 144,650,000 yen (including the 1,250,000 yen mentioned above) as against 143,400,000 yen on the earlier date. Toshikata Okubo is President of the institution.

Lindbergh In America First Address Again Urges That U. S. Keep Aloof From War

An "appeal to all Americans, no matter what their viewpoint on the war may be," was made by Charles A. Lindbergh on Oct. 30 "to unite behind the demand for a leadership in Washington that stands squarely upon American traditions—a leadership of integrity instead of subterfuge, of openness instead of secrecy; a leadership that demonstrates its Americanism by taking the American people into its confidence." Mr. Lindbergh, who spoke at a gathering in New York City held under the auspices of the America First Committee declared that "the most fundamental issue today is not one of war or peace, but one of integrity." He went on to say:

> Whether we go to war or whether we stay out, we have the right to demand integrity in the leadership of this nation. Whether we are for intervention or whether we are opposed to it, we can unite in believing that if we have integrity in our leadership, and confidence in that integrity, this nation of ours is great enough to survive either in adversity or success. If we have confidence in that integrity, we will pass through these years ahead, whether they be years of peace or years of war, and emerge a stronger nation than we were when they began. As Americans, we never have, and as Americans we never will, fear any foreign enemy, either in commerce or in war. There is no danger to this nation from without. Our only danger lies from within.

The meeting held in Madison Square Garden was also addressed by Senator Burton K. Wheeler (Democrat, Mont.); John Cudahy, former U. S. Ambassador to Belgium, and John T. Flynn, Chairman of the America First Committee's New York Chapter. In addition to the foregoing Mr. Lindbergh also had the following to say in part:

> My opposition to American intervention was based upon many reasons; but I think that none was stronger than my belief that modern aviation made it impractical, if not impossible, for an expeditionary force to cross an ocean and land successfully on a hostile coast against a strong enemy air power.
>
> I believed that history, and experience, and judgment, all showed that the destiny of America should not be tied to the outcome of European war. . . .
>
> As you all know, in spite of the opposition of the American people, we have been led step by step to war, until today we are actually engaged in undeclared naval warfare. . . .
>
> Those of us who have stood out against American intervention have, from the beginning, encountered an insidious opposition.
>
> If the issue of intervention had been placed openly before our Congress and our people, a decision could have been reached in the traditional American way. But this was not done because the interventionists knew that the American people would not agree to war. Instead of submitting the issue of war to our vote, they said: Of course we will not go to war; but couldn't we aid England and France just by selling them arms if they send their own ships and pay us in cash?
>
> We agreed to what seemed to most Americans a harmless and reasonable request, and repealed our embargo on arms. But that was just the first step in a carefully laid out road to war. . . . Our President ran for re-election on a party platform that was against war. He promised us "again, and again, and again," that American boys would not be sent abroad to fight. But at the very moment these promises were being made, preparations for foreign war went on in the name of American defense.
>
> When our citizens were called upon to submit to the draft they were told that it would be for only one year, although the Administration was well aware that a year would be insufficient for adequate training. When we were asked to support the lease-lend bill, we were told that it was the best way to keep the country out of war.
>
> When President Roosevelt ordered the occupation of Iceland, without asking the consent of Congress, we were told that it was for American defense, and that American troops would replace the British who were then in occupation. Later, we find that our occupation of Iceland is to protect the British supply lines, and that we continue to occupy it jointly with their forces. One month President Roosevelt tells us that the American Navy will see to it that England receives the arms necessary to defeat Germany, and the next month he tells us that our battleships "patrolling" those arms through the German war zone have been attacked without provocation.
>
> President Roosevelt and his administration have never taken the American people into their confidence. . . .
>
> Men and women of New York: We must face the fact that our nation is on the verge of war today. Up to the present moment, the interventionists in America have been as successful in leading on to war as were their brethren in England and France. . . .
>
> But, for America, the final step into war has not yet been taken. Our Congress has not authorized a declaration of war, and national polls show that our people are overwhelmingly opposed to it. If we still had in fact, as well as in name, a representative government, we would be far from war today. . . .
>
> Before we allow ourselves to be committed finally and irrevocably to war, let us do what France and England failed to do. Let us, for a moment, put our emotions and desires in the background and look clearly and objectively at the type of war that confronts us. Let us estimate the cost, and the chances of success, and then make our decision calmly and intelligently, in a traditional American way.

A. M. Travers Honored

Arthur M. Travers, who will retire on Nov. 1 as Manager of the Legislative Service Bureau of the Commerce and Industry Association of New York, was guest of honor on Oct. 27 at a dinner in the Hotel Martinique, New York City. Mr. Travers was presented with a resolution of the Association's Board of Directors commemorating 25 years of service at his post. The dinner was attended by the entire staff of the Association as well as by a group of prominent members. Mr. Travers became connected with the Association in 1917 when he organized the Legislative Service Bureau and became its first head. Previously, he served 13 years in the United States Postal Service in Washington; the last two years as Acting Third Assistant Postmaster General in the Taft Administration. Succeeding Mr. Travers as Legislative Service Bureau Manager, is William J. Kelly, a practicing attorney in New York City.

Johnston, New York Chamber Of Commerce, Pleads For Unity And Industrial Peace

At a banquet on Nov. 13 celebrating the 173rd anniversary of the founding of the New York State Chamber of Commerce, Percy H. Johnston, President of the Chamber, sounded as the keynote of the dinner (held at the Waldorf-Astoria Hotel) "Unity for Victory." President Johnston in his address pointed out that "in every great crisis which has confronted the nation this Chamber has contributed something constructive to meet it," and "today," he said, "we have an important civilian role to play in the emergency which threatens not only our American way of life and the enslavement of the democratic countries of Europe, but the very existence of Christian civilization and progress throughout the world."

The "program which the Chamber has mapped out in the present crisis," was submitted as follows by Mr. Johnston:

> To work for national unity in order that our defense effort may reach its maximum efficiency.
>
> To prepare our people to face any sacrifices they may be called upon to make.
>
> To help keep the wheels of essential industries turning in New York so far as is consistent with the demands of defense and to see that industries here which are equipped to handle defense subcontracts have an opportunity to get them.
>
> To fight proposed non-defense legislation which by further hampering industry would reduce the national income in either emergency or peace times; and strive to have existing laws, which unfairly restrict business or are unjust to taxpayers, amended or repealed.
>
> To work for greater harmony between labor and industry and Government to the end that there shall be no more defense strikes "for the duration."
>
> To demand that the Federal Government practice the same economy in all non-defense, unessential expenditures that is forced upon taxpayers.
>
> To advocate the curtailment or abandonment by the Government until after the emergency of social experiments which can contribute nothing to our defense effort and which are a strain on the national economy.
>
> To guard against further encroachment of Government into the field of private enterprise except where temporary intrusion is absolutely necessary to the defense effort.
>
> To demand that all long-range public works projects which have no immediate value to national defense and are not essential to the welfare of the people be deferred so as not to compete with the defense effort for money, materials and man power; those which have real economic or welfare value should be held as a backlog to furnish employment when peace comes.
>
> To study ways and means of best enabling industry to shift from a war-time to a peace-time basis with a minimum of reduction in employment and loss to national income during the post-war period.

Mr. Johnston in stating that "our Nation is committed to a policy which may force our active participation in the war at almost any minute," declared that "to meet this emergency successfully calls for unity of all our people." He further said in part:

> The seriousness of the emergency we face demands the sacrifice not only of luxuries and conveniences and the way of life to which we are accustomed, but the sacrifice even of personal views and opinions when their expression causes disunity and weakens the defense of the Nation.

Warning against inflation, Mr. Johnston said:

> We have had repeated warnings from Washington of the dangers of inflation but, except for the recent Revenue Act, no coordinated steps have been taken to control it. . . .
>
> The public will grumble less at having to economize to pay record high taxes and will show more enthusiasm about investing in bonds to help national defense, if it knows that the Government also is making sacrifices by reducing non-defense, unessential spending to the lowest possible level. . . .
>
> Waste in defense expenditures here will not bring Hitler to his knees any quicker. A war can't be won merely by pouring an endless stream of billions of dollars into the hopper of armament production We can't buy victory on a European battle field any more than we could buy our way out of a depression. We should see to it that every defense dollar we spend in this emergency produces a full dollar's worth of defense necessities.

Reference was also made by Mr. Johnston to the strikes which the country has faced during the first 15 months of the rearmament program, and he noted that "during the first five months of this year alone there were 1,593 strikes involving more than 1,100,000 workers." "The time for wishful thinking on the part of the Government in handling the defense labor situation," he said, "has passed. Decisive action is called for." In conclusion, he said:

> Without industrial peace in the United States there can be no assurance that our defense effort will be sufficient to insure victory to those who are fighting the pagan forces of destruction in Europe and holding back their threat to the Western Hemisphere.

Some 700 guests attended the banquet, among whom were executives of the Nation's leading industries, ranking officers of the Army and Navy, State and city officials, the Presidents of a number of up-State Chambers of Commerce, and bank officials. The speakers of the evening were Dr. O. C. Carmichael, Chancellor of Vanderbilt University, who spoke on "Leadership and the Present Crisis," and Frank Gervasi, foreign correspondent of "Collier's Magazine." In his opening remarks Chancellor Carmichael said:

> In a highly complex civilization in which greater and greater specialization in business and the professions is required, the danger is that leaders may become mere specialists, concentrating upon narrow objectives in particular fields of endeavor, leaving the guidance of society to blind chance or to the less intelligent members of it. One thing is certain, if intelligent citizens fail to assume control, those less endowed will take the helm. The most highly specialized and scientific people of Europe provides the best example of the tragedy of this error, a tragedy which affects not only the citizens of that nation but the world as well. What a different situation we would have today if during the past decade the leadership in Germany had insisted upon moderate and civilized methods of solving their problems.

In the concluding portion of his address the Chancellor stated:

> However dark the outlook may be today there is no spirit of defeatism or of despair. With the full economic and industrial power of America in the balance, democracy can and will prevail, and a new day will dawn for the aspirations of man.
>
> It is said that in the pictorial writing of the Chinese, the word for "crisis" is composed of two pictures, one representing disaster, and the other opportunity. The situation in the world today is admirably characterized by this symbol. While the dangers are many, the possibilities are great of building a new order out of the travail of the present. On leaders such as you rests the responsibility of realizing these possibilities.

Issues New Schedule Of Zinc Scrap Prices

Federal Price Administrator Henderson issued on Oct. 18 a new zinc price schedule, increasing the ceilings of zinc scrap and secondary slab zinc; placing the pricing system on a shipping point basis and establishing premiums for scrap shipments in quantity. The revision in prices, Mr. Henderson said, reflected the increase from 7.5 cents to 8.25 cents a pound in the price of primary slab zinc which was recently made by the OPA in order to maintain and expand supply. Under date of Oct. 18 Associated Press accounts from Washington said:

> Mr. Henderson said all OPA price schedules for non-ferrous scrap metals were f. o. b. shipping point bases, thus giving an equal opportunity to all scrap purchasers to compete for supplies Such competition was not always possible when ceiling prices were on a delivered basis because of varying transportation costs.
>
> To the new maximums—the schedule provides—a premium of one-half cent a pound may be added on any shipment at one time of 10,000 pounds or more of new zinc clippings and trimmings, engravers and lithographers' planes, and old zinc scrap, or any combination of the three.
>
> A similar half-cent premium is permitted for any shipment at one time of 20,000 pounds or more of new or old die cast scrap and radiator grills, in any combination. No premiums for quantity shipments are provided for galvanizers' dross or die cast slab.
>
> Mr. Henderson explained that the new quantity premiums were designed to facilitate handling of zinc material by large scrap dealers.

The OPA on Oct. 20 established ceiling prices for butanol and acetone, two chemicals important in the manufacture of explosives, plastics, dyes and rayon. The new schedules provide that the maximum price for acetone will be seven cents a pound delivered in tank car lots in eastern territory and 10¾ cents a pound for butanol.

Jamaica Sugar Exports

Sugar exports from Jamaica amounted to 143,275 short tons during the crop year ending Aug. 31, 1941, according to reports received by B. W. Dyer & Co., New York, sugar economists and brokers. This is a gain of 53,151 tons or 59% from the preceding crop year, says the firm, which further states:

> The rise in exports was made possible by an increase in production from 111,239 short tons in the 1939-40 crop to 175,382 tons for the 1940-41 crop. The 1940-41 production is a new record high figure.
>
> The carryover on Aug. 31 was 23,106 tons, an increase of 13,458 tons from the previous year's total of 9,648 tons.

Retail Food Price Advances More Moderate Between Mid-September And Mid-October

Retail food prices increased somewhat more moderately between Sept. 16 and Oct. 14 than during other recent months, with an advance in total food costs of 0.8% during the month, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Nov. 6. Prices of most foods were higher, it is stated, except for meats and certain fresh vegetables, such as cabbage and spinach, which were seasonally lower. Potato prices advanced contra-seasonally due to he relatively small late crop, and the usual autumn price increases were reported for eggs, dairy products, and most fruits and other vegetables. The Bureau's announcement added:

Increases in retail prices this year have followed very large advances in wholesale markets which reflect the result of various Government programs, such as increased Government loan values on basic farm products and purchases under the "Food for Defense Program", as well as greater industrial activity with accompanying larger consumer incomes, and speculative buying. Preliminary reports on prices of 18 foods on Oct. 28 indicate further advances for bread, eggs, oranges, canned tomatoes, navy beans, and coffee.

On Oct. 14 the Bureau of Labor Statistics' index of retail food costs was 111.6% of the 1935-39 average, the highest level since January 1931. The increase since October 1940 has amounted to 16%. The most outstanding advances were for lard, 67%; shortening in cartons, 51%; fresh green beans, 49%; whole ham, 34%; and salt pork, 31%. Increases of 25 to 30% were reported for such foods as pork chops, sliced bacon, pink salmon, eggs, oranges, spinach, canned peaches, navy beans, and coffee. On Oct. 14, pink salmon and canned peaches reached the highest price level reported since they were first priced by the Bureau in January, 1935, while eggs and shortening in tin or similar containers were higher than at any time since late in 1930 or early in 1931. Since August 1939, just prior to the outbreak of the European war, the most spectacular rises have been for eggs, 51%; fresh and canned fish, 32%; dairy products, 29%; fats and oils, 25%; dried fruits, 25%; and pork, 24%. Cereals and bakery products, of which there is an abundant supply, have increased only 9% since August 1939.

Between mid-September and mid-October prices of bread and milk again advanced in many cities. Bread prices are now higher than on July 15 in 43 of 51 cities included in the Bureau's survey, while milk prices are higher in 44 of these cities.

Pork prices, following the usual seasonal trend, declined between Sept. 16 and Oct. 14 for the first time during the current year. On Oct. 14 pork was about 9% higher than the 5-year average for 1935-39, although 29% higher than the unusually low level of October of last year. Beef prices, on the other hand, which also showed a seasonal decline between mid-September and mid-October, were 14% above the 5-year average and only 5% higher than in October of last year. Other meats such as lamb, veal, and chickens all declined seasonally between mid-September and mid-October, but were still 8 to 14% higher than a year earlier.

Fresh fruits and vegetables, which account for about one-sixth of the average working man's food budget, rose 3½% between Sept. 16 and Oct. 14, as the growing season came to a close. Fresh fruits, in particular, were considerably higher this month with increased prices reported for apples, bananas, and oranges, in spite of the fact that the crops are of about the usual size.

Changes in prices from Sept. 16 to Oct. 14 and since October 1940 for the more important foods were as follows:

Item	October, 1941, compared with Sept., 1941 (Percentage Change)	October, 1941, compared with Oct., 1940 (Percentage Change)
Oranges	+10.0	+25.0
Potatoes	+ 5.2	+22.2
Evaporated milk	+ 3.6	+24.3
Cheese	+ 3.4	+30.5
Eggs	+ 3.3	+24.0
White bread	+ 2.4	+11.5
Flour	+ 1.7	+19.9
Coffee	+ 1.6	+26.7
Milk, fresh (average)	+ 1.4	+14.6
Canned tomatoes	+ 1.0	+15.5
Sugar	+ .6	+18.8
Butter	— .2	+19.6
Rib roast	— .6	+ 2.6
Roasting chickens	— 1.5	+ 8.4
Round steak	— 2.7	+ 5.5
Pork chops	— 8.2	+24.9

The Department also states increases of 2% or more in total food costs to moderate income families were reported from 10 cities from mid-September to mid-October. The largest increases were for Salt Lake City (4.4%), Dallas (3.6%), and Houston, (3.1%). In Dallas higher meat prices, with an increase of 1 cent per pound for bread and 2 cents per quart for milk, were responsible for the large increase, while greater than average advances for dairy products, eggs, beverages, and fats and oils occurred in Salt Lake City and Houston. Food prices declined in 9 cities with the greatest decreases in Scranton (0.5%), Chicago (0.4%), Peoria (0.4%), and Bridgeport (0.3%). Sharp declines for meats and only small advances for dairy products, beverages, and canned fruits and vegetables were responsible for the lower prices in these 4 cities.

Index numbers of food costs by commodity groups for the current period and for Sept. 16, 1941, Aug. 12, 1941, Oct. 15, 1940, and Aug. 15, 1939 are shown in the following table:

INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS
(Five-Year Average 1935-39 = 100)

Commodity Group—	Oct. 14, 1941*	Sept. 16, 1941	Aug. 12, 1941	Oct. 15, 1940	Aug. 15, 1939
All Foods	111.6	†110.7	108.0	96.2	93.5
Cereals and bakery products	102.2	100.9	99.0	94.8	93.4
Meats	112.9	115.5	111.2	99.1	95.7
Beef and veal	115.1	116.2	112.1	108.2	99.6
Pork	109.3	†114.9	109.5	84.9	88.0
Lamb	110.8	116.3	109.6	98.4	98.8
Chickens	101.6	103.1	103.1	93.3	94.6
Fish, fresh and canned	131.5	129.9	125.5	110.8	99.6
Dairy products	119.9	118.5	114.5	101.5	93.1
Eggs	137.3	132.9	120.7	110.7	90.7
Fruits and veletables	104.0	†100.5	103.4	88.4	92.4
Fresh	103.5	†99.4	103.8	86.9	92.8
Canned	103.7	102.5	100.2	91.5	91.6
Dried	112.7	†111.0	109.1	99.4	90.3
Beverages	111.0	109.2	103.8	90.7	94.9
Fats and oils	105.6	103.0	99.2	80.5	84.5
Sugar	112.5	111.8	109.0	94.7	95.6

*Preliminary. †Revised.

President Roosevelt And Secretary Hull Express Views On Neutrality Legislation

Just before the House took favorable action on the Senate amendments to the Neutrality Act on Nov. 13, the views of President Roosevelt and Secretary of State Hull on the legislation were read to the members of the House in response to requests made to the President by Speaker Rayburn and Majority Leader McCormack as to such views. Mr. Rayburn advised the House that he and Mr McCormack had addressed to the President the following letter in the matter.

A number of Members have asked us what effect failure on the part of the House to take favorable action on the Senate amendments would have upon our position in foreign countries, and especially in Germany.

Some of these Members have stated that they hoped you would make a direct expression upon this matter.

The President said that the effect "in the British Empire, in China and in Russia—all of whom are fighting a defensive war gainst invasion"—would be "definitely discouraging," while in the Axis nations the unfavorable action "would, of course, cause rejoicing." He added that "failure would bolster aggressive steps and intentions in Germany, and in the other well-known aggressor nations under the leadership of Hitler."

Mr. Roosevelt, in his letter, went on to say that "our own position in the struggle against aggression would be definitely weakened not only in Europe and in Asia but also among our sister republics in the Americas." The President further stated that failure to take favorable action "would also weaken our domestic situation" because it would weaken "our great effort to produce all we possibly can and as rapidly as we can" and make strikes and stoppages of work "become less serious in the mind of the public."

Secretary Hull's letter, presenting points not covered by the President, said that "in the light of existing conditions the passage of this bill is absolutely essential to our national defense." He went on to relate that "these conditions are completely different from those existing at the time the Neutrality Act was passed" and stated that "in the circumstances of today, we must be free to arm our merchant ships for their own protection; and we must be free, in the event of particular and extreme emergency, to use these ships for the carriage of supplies to nations which are resisting the world-wide movement of conquest headed in our direction." He added that the Government "would, of course, use caution in carrying out the power" authorized in the bill. The text of the President's letter follows:

My dear Mr. Speaker and Mr. McCormack:

I had had no thought of expressing to the House my views of the effect, in foreign countries and especially in Germany, of favorable or unfavorable action on the Senate amendments.

But in view of your letter, I am replying as simply and clearly as I know how.

In my message of Oct. 9, I definitely recommended arming of ships and removing the prohibition against sending American-flag ships into belligerent ports. Both I regarded as of extreme importance—the first I called of immediate importance at that time. This did not lessen the importance of the second. Another month has gone by, and the second I regard today as of at least equal importance with the first.

In regard to the repeal of sections 2 and 3 of the Neutrality Act, I need only call your attention to three elements. The first concerns the continued sinking of American-flag ships in many parts of the ocean. The second relates to great operational advantages in making continuous voyages to any belligerent port in any part of the world; thus in all probability increasing the total percentage of goods—foodstuffs and munitions—actually delivered to those nations fighting Hitlerism. The third is the decision by the Congress and the Executive that this Nation for its own present and future defense, must strengthen the supply line to all of those who are today keeping Hitlerism far from the Americas.

With all of this in mind, the world is obviously watching the course of this legislation.

In the British Empire, in China, and in Russia—all of whom are fighting a defensive war against invasion—the effect of failure of the Congress to repeal sections 2 and 3 of the Neutrality Act would be definitely discouraging. I am confident that it would not destroy their defense or morale, though it would weaken their position from the point of view of food and munitions.

Failure to repeal these sections would, of course, cause rejoicing in the Axis nations. Failure would bolster aggressive steps and intentions in Germany, and in the other well-known aggressor nations under the leadership of Hitler.

Judging by all recent experience, we could, all of us, look forward to enthusiastic applause in those three nations based on the claim that the United States is disunited as they have so often prophesied.

Our own position in the struggle against aggression would be definitely weakened, not only in Europe and in Asia, but also among our sister republics in the Americas. Foreign nations, friends and enemies, would misinterpret our own mind and purpose.

I have discussed this letter with the Secretary of State and he wholeheartedly concurs.

May I take this opportunity of mentioning that in my judgment failure of the House to take favorable action on the Senate amendments would also weaken our domestic situation? Such failure would weaken our great effort to produce all we possibly can and as rapidly as we can. Strikes and stoppages of work would become less serious in the mind of the public.

I am holding a conference tomorrow in the hope that certain essential coal mines can remain in continuous operation. This may prove successful.

But if it is not successful it is obvious that this coal must be mined in order to keep the essential steel mills at work. The Government of the United States has the backing of the overwhelming majority of the people of the United States, including the workers.

And then the concluding line:
The Government proposes to see this thing through.

Very sincerely yours,
FRANLIN D. ROOSEVELT.

The following is Secretary Hull's letter:

The Secretary of State
Washington, Nov. 13, 1941.

The Hon. Sam Rayburn,
The Hon. John W. McCormack,
House of Representatives.

My Dear Mr. Speaker, My Dear Mr. McCormack: In response to your request for my views on House Joint Resolution 237, which provides for the repeal of sections 2, 3, and 6 of the Neutrality Act of 1939, I offer the following brief comment apart from the points covered in the President's letter to you of this date.

It is my judgment that in the light of existing conditions the passage of this bill is absolutely essential to our national defense. These conditions are completely different from those existing at the time the Neutrality Act was passed; they present an entirely new problem of danger and of methods for dealing with it.

The Neutrality Act represented an endeavor to avoid the limited danger which might arise from the entrance of American citizens and American ships into areas of hostilities far from our own shores. The provisions of that Act did not and could not visualize the vast danger which has since arisen from a world movement of invasion under Hitler's leadership, and which is now moving steadily in the direction of this hemisphere and this country.

As a part of this movement of conquest the greatest intermediate objective of Hitler's armed forces is to capture Great Britain and to gain control of the high seas. To this end Hitler has projected his forces far out into the Atlantic with a policy of submarine ruthlessness. By intimidation and terror he would drive our ships from the high seas and ships of all nations from most of the North Atlantic. Even in the waters of the Western Hemisphere he has attacked and destroyed our ships, as well as ships of other American republics, with resulting loss of American lives.

The breadth of our self-fense must at all times equal the breadth of the dangers which threaten us. In the circumstances of today we must be free to arm our merchant ships for their own protection; and we must be free, in the event of particular and extreme emergency, to use these ships for the carriage of supplies to nations which are resisting the world-wide movement of conquest headed in our direction. This Government would, of course, use caution in carrying out the power which it could exercise upon the passage of the bill.

To maintain our security we must pursue a resolute course in a world of danger and be prepared to meet that danger. We must take measures of defense whenever necessity arises. We cannot promote, much less preserve, our safety by a course of inactivity and complacency in the face of a peril which is coming toward us. Other countries, and especially countries unfriendly to us, will necessarily assume that this bill has been discussed and dealt with on its own merits. I hope this will be kept in mind.

The paramount duty of this Government is to preserve the safety and security of our country. I would be neglecting the responsiblity of my office if I did not state the frank opinion that there is imperative need for the passage of this bill to enable our Government effectively to carry out this duty.

Sincerely yours,
CORDELL HULL.

A "Pictorial Parade"

The New York Curb Exchange presented on Nov. 12 the twelfth program in its "Pictorial Parade of American Industry" in the Board of Governors' room of the Exchange. The two films shown, "Science in Business" and "Sailors with Wings," were produced by March of Time.

President Roosevelt On Armistice Day Warns U. S. Is Again Facing "Terrible Danger"

President Roosevelt declared on Nov. 11, in an Armistice Day address, that the people of America believe that liberty is worth fighting for, and if obliged to, will fight eternally to hold it. He added that "this duty we owe, not to ourselves alone but to the many dead who died to gain our freedom for us—to make the world a place where freedom can live and grow into the ages." Speaking in an amphitheater near the Tomb of the Unknown Soldier in Arlington National Cemetery, Washington, the President said that the anniversary of the Armistice of 1918 has "a particular significance" this year because we are able "to measure our indebtedness to those who died" and because the nation, as in 1917, once again faces "a terrible danger." Mr. Roosevelt went on to speak of the "cynics and doubters" who question the sacrifice made by those who died in 1917 and 1918. Saying that "it was, in literal truth, to make the world safe for democracy that we took up arms in 1917" the President asserted that "it was, in simple truth and in literal fact, to make the world habitable for decent and self-respecting men and women." They died, he added, "to prevent then the very thing that now, a quarter century later, has happened from one end of Europe to the other."

The President continued by declaring that if the sacrifice of those who died "to make the world safe for decency and self-respect" is not to be in vain then the "obligation and duty are ours" if the world's safety is again threatened.

The text of the President's speech follows:

> **Among the great days of national remembrance, none is more deeply moving to Americans of our generation than the 11th of November, the anniversary of the armistice of 1918, the day sacred to the memory of those who gave their lives in the war which that day ended.**
>
> Our observance of this anniversary has, I think, a particular significance in the year 1941.
>
> For we are able today as we were not always able in the past to measure our indebtedness to those who died.
>
> A few years ago, even a few months, we questioned, some of us, the sacrifice they had made. Standing near to the tomb of the Unknown Soldier, Sergeant York of Tennessee, on a recent day spoke to such questioners. "There are those in this country today," said Sergeant York, "who ask me and other veterans of the World War, 'What did it get you?'"
>
> Today we know the answer—all of us. All who search their hearts in honesty and candor know it.
>
> We know that these men died to save their country from a terrible danger of that day. We know, because we face that danger once again on this day.
>
> "What did it get you?"
>
> People who asked that question of Sergeant York and his comrades forgot the one essential fact which every man who looks can see today.
>
> They forgot that the danger that threatened this country in 1917 was real, that the sacrifice of those who died averted that danger.
>
> Because the danger was overcome they were unable to remember that the danger had been present.
>
> Because our armies were victorious they demanded why our armies had fought.
>
> Because our freedom was secure they took the security of our freedom for granted and asked why those who died to save it should have died at all.
>
> "What did it get you?"
>
> "What was there in it for you?"
>
> If our armies of 1917 and 1918 had lost there would not have been a man or woman in America who would have wondered why the war was fought. The reasons would have faced us everywhere. We would have known why liberty was worth defending as those alone whose liberty is lost can know it. We would have known why tyranny is worth defeating as only those whom tyrants rule can know.
>
> But because the war had been won we forgot, some of us, that the war might have been lost.
>
> Whatever we knew or thought we knew a few years or months ago, we know now that the danger of brutality, the danger of tyranny and slavery to freedom-loving peoples can be real and terrible.
>
> **We know why these men fought to keep our freedom—and why the wars that save a people's liberties are wars worth fighting and worth winning—at any cost.**
>
> "What did it get you?"
>
> The men of France, prisoners in their cities, victims of searches and of seizures without the law, hostages for the safety of their masters' lives, robbed of their harvests, murdered in their prisons — the men of France would know the answer to that question. They know now what a former victory of freedom against tyranny was worth.
>
> The Czechs know the answer too. **The Poles. The Danes. The Dutch, The Serbs. The Belgians. The Norwegians. The Greeks.**
>
> We know it now.
>
> **We know that it was, in literal truth, to make the world safe for democracy that we took up arms in 1917. It was, in simple truth and in literal fact, to make the world habitable for decent and self-respecting men and women that those whom we now remember gave their lives. They died to prevent then the very thing that now, a quarter century later, has happened from one end of Europe to the other.**
>
> Now that it has happened we know in full the reason why they died.
>
> We know also what obligation and duty their sacrifice imposes upon us. They did not die to make the world safe for decency and self-respect for five years or ten or maybe twenty. They died to make it safe. And if, by some fault of ours who lived beyond the war, its safety has again been threatened then the obligation and the duty are ours. It is in our charge now, as it was America's charge after the Civil War, to see to it "that these dead shall not have died in vain." Sergeant York spoke thus of the cynics and the doubters: "The thing they forget is that liberty and freedom and democracy are so very precious that you do not fight to win them once and stop. You do not do that. Liberty and freedom and democracy are prizes awarded only to those peoples who fight to win them and then keep fighting eternally to hold them."
>
> The people of America agree with that. They believe that liberty is worth fighting for. And if they are obliged to fight they will fight eternally to hold it.
>
> This duty we owe, not to ourselves alone, but to the many dead who died to gain our freedom for us—to make the world a place where freedom can live and grow into the ages.

Secretary Ickes Designated By President National Defense Solid Fuels Coordinator

President Roosevelt announced on Nov. 7 the appointment of Secretary of the Interior Harold L. Ickes as Solid Fuels Coordinator for National Defense. Mr. Ickes, who also holds the position of Petroleum Coordinator for National Defense, is charged by the President with assuring the maintenance of an adequate supply of solid fuels and making it available for military, industrial and civilian purposes. In a letter to Mr. Ickes, under date of Nov. 5, the President explained that, since he already had authority over oil and gas matters, "it is essential that the handling of solid fuel and of oil and gas problems should be closely coordinated in the present emergency."

Mr. Ickes was made Defense Petroleum Coordinator on May 31; referred to in these columns of June 7, page 3584.

The President's letter follows:

> As the defense effort progresses it becomes increasingly urgent to assure that the supply of solid fuels will be adequate and that they will be readily available at consuming points when required for military, industrial, and civilian purposes. Diffcult problems are already arising with respect to their supply and availability for such uses. These problems require the efficient and carefully coordinated development, production, distribution, utilization, transportation and handling of solid fuels.
>
> You have in your Department extensive information and facilities with respect to solid fuels. I refer particularly to the Bituminous Coal Division, the Bureau of Mines, and the Geological Survey. In addition, in your capacity as Petroleum Coordinator for National Defense you have important functions with respect to oil and gas. It is essential that the handling of solid fuel and of oil and gas problems should be closely coordinated in the present emergency.
>
> I am therefore, requesting that you as the Secretary of the Interior shall act as solid fuels coordinator for national defense in performing the following duties:
>
> 1. Obtain currently from the appropriate defense and other Federal agencies, from the various States and their subdivisions, and from any other sources, private or governmental, information as to the military and civilian needs for solid fuels;
>
> 2. Obtain currently from the solid fuels industries and from any other sources, governmental or private, information relating to development, production, supply, availability, distribution, utilization, transportation and handling of solid fuels;
>
> 3. Make recommendations to the Supply Priorities and Allocations Board, the Office of Production Management, the Office of Price Administration, the transportation agencies of the Federal Government and to any other appropriate Federal departments and agencies concerning measures relating to the production, storage, pooling, transportation distribution, marketing and consumption of solid fuels for the purpose of promoting the maintenance of a ready and adequate supply at reasonable prices;
>
> 4. In cooperation with the solid fuels and related industries and with consumers of solid fuels, and in coordination with the Office of Production Management, carry on such programs as will promote economy and efficiency in the development, production, distribution, utilization, transportation and handling of solid fuels, and as will facilitate the operation of the solid fuels industries so as to meet the requirements of the national defense program;
>
> 5. Advise and make recommendations to the Supply Priorities and Allocations Board, the Office of Production Management, and other appropriate defense agencies with respect to the material, equipment and supplies which will be required by the solid fuels industries in producing, transporting, and distributing the tonnage needed for civilian and defense purposes;
>
> 6. Make other recommendations to appropriate Federal departments and agencies concerning measures affecting the supply and availability of solid fuels as may seem necessary from time to time.
>
> In carrying out these responsibilities, the determinations of the Supply Priorities and Allocations Board and of the Office of Production Management will, of course, govern as to the requirements for national defense, direct and indirect, and as to the establishment and administration of priorities and allocations.
>
> The heads of the agencies and departments concerned are being informed of this designation and I am requesting that they inform you in advance of any action proposed which may affect the maintenance of an adequate supply of solid fuels and of all meetings or conferences dealing with these problems.
>
> I anticipate that you will use your present staff in the discharge of these responsibilities to the fullest extent possible. Within the limits of such funds as may be made available, you may make provision for the necessary services and facilities and you may employ necessary additional personnel including the appointment or designation, with my approval, of an assistant to whom you may make any necessary delegation of functions.

Bldg. & Loan Assns. Grow

The most marked growth in the savings, building and loan associations for any half year since 1929 is seen in the over-$5,000,000 group of institutions during the first six months of 1941, according to H. F. Cellarius, Secretary-Treasurer of the United States Savings and Loan League, Chicago. It is pointed out that there were 140 member institutions of the League in this size category as of June 30 and 82% of their number showed a net gain for the first six months. This compared with 63% which grew during the same period of 1940.

The League's announcement went on to say:

> The Pacific First Federal Savings and Loan Association of Tacoma, Wash., netted the largest gain for the half year, $2,569,000, and nine other institutions gained at least $1,000,000 each. Forty two of them, nearly one out of every three, gained as much as $500,000, Mr. Cellarius pointed out, and this compares with only 27 institutions which gained so much in the first half of 1940.
>
> The Perpetual Building Association, Washington, D. C., continues as the League's largest member association, with its resources at a new high of $53,667,527 as of June 30, 1941. Altogether there are now 45 League member institutions with more than $10,000,000 in assets, and only 20 of them were in this size group five years ago, Mr. Cellarius points out.

FDR Urges Deferring Waterway Projects

President Roosevelt in a letter to Representative Dewey Short, Republican, of Missouri, President of the National Rivers and Harbors Congress, made public on Oct. 26, emphasized the need for deferment until the end of the emergency of all construction projects "without defense values." The President, in praising the organization's general purpose for holding a special session at Miami, Fla., Nov. 13 and 14, said:

> It is fitting that your association, which for so many years has sponsored the systematic prosecution of waterway projects, is meeting at this time to consider present and future programs of river and harbor development, of maritime and inland navigation and of improvement for the control of floods.
>
> The importance of our harbors and coastal and inland waterways in strengthening the Nation's transportation system to meet the increasing demands of the defense program is conspicuously demonstrated. **For example, the intracoastal waterway extending along the Gulf and Atlantic coasts although not fully developed is today a potent factor in alleviating the coastwise shipping problem. Likewise, the various dams and reservoirs and related works constructed in the interest of navigation, flood control, power, water conservation, and other purposes are being called upon to contribute their utmost to the national-defense effort.**
>
> **I know that you will agree that initiation of new construction projects without defense values should be deferred until the end of the present international emergency. A rational program of public works construction recognizing that point of view and providing a backlog of justifiable projects for future construction is imperative in these times. It is gratifying to know that your association is about to formulate such a program for river and harbor and flood-control improvement.**

Lending For Defense

Cash advances to farmers through local production credit associations for dairy, pork and poultry production under the "food-for-freedom program" totaled $8,432,000 during the three-month period ending Sept. 30, the U. S. Department of Agriculture said on Nov. 4. Dairy production loans, said the Department, accounted for more than half of these credit requirements, with money for the purchase of animals the largest item, according to A. G. Black, Governor of the Farm Credit Administration. For the production program as a whole the purchase of food represented the largest expenditure. From the announcement we also quote:

> A break-down of the totals showed that member borrowings from the credit cooperatives totaled approximately $3,000,000 for additions and replacements to dairy herds; $626,500 for swine; and $79,000 for poultry flocks. Purchase of feed amounted to $817,000 for dairy production, $1,307,000 for hogs, and $1,201,000 for poultry. New equipment and facilities accounted for $1,206,000 in dairying $78,000 for hog production, and $75,000 for poultry. Other related loans in the furtherance of the program totaled $897,000.
>
> The production credit associations, serving every agricultural county in the country, now have more than $200,000,000 outstanding in loans to farmer-members, the largest total for this time of year in their seven years of operation.

NAM Surveys Electric Power, Transportation Other Materials for Defense Program

The defense program will impose vastly increased demands for electric power according to a study made by the National Ass'n of Manufacturers and issued Oct. 30. However, the report warns that unwarranted building of power facilities is likely to create an excess capacity which may prove burdensome in the post-war period.

Measuring the electric power industry against the demands of the defense program, the report, prepared by the research department of the association found:

(1) That for the country as a whole the power supply plus new construction scheduled for completion before 1944 should prove sufficient to meet probable demands of the defense program.

(2) That in the Southeastern states, where there has been a serious drought, and in a few other areas there will be power shortages, but many of these shortages are being corrected by new installations.

(3) That the St. Lawrence Seaway project does not provide a practical solution to the power problem because it will require men, money and materials more urgently needed elsewhere.

(4) That electric power equipment owned and operated by industrial plants may prove unequal to the increased demands of the defense program and that utility companies should make due allowance for this contingency in estimating future power demands.

(5) That there is a need for a moderate amount of interconnection of transmission lines to close some of the gaps in high voltage transmission systems.

(6) That two factors beyond the control of the industry—limited facilities for the manufacturing of heavy electrical equipment and limited facilities for the transportation of fuel—may have important bearing on the future power supply.

Another report, issued by the NAM Oct. 15, related to the adequacy of transportation facilities. This report said the nation's transportation problems are "very real" for several reasons. It pointed out the past decade has been one in which many railway lines found business unprofitable and serviceable supplies of freight cars and locomotives were permitted to dwindle. The decreases, it said, "were entirely logical in view of the surplus of rolling stock during the depression years and the major improvements in railroad operations permitted larger traffic movement with fewer cars and locomotives. However, the reduced supply of equipment is a limiting factor on the amount of railroad traffic that can be handled without delay."

The problem of providing for the abnormal demand arising out of defense and rearmament, said the Association, is a transient one and once it is over much freight traffic may revert to its normal peacetime channels. "During this adjustment period," said the Association, "existing transportation facilities might prove more than adequate." Unwise expansion could build very burdensome over-capacity. The problem here, as with other industries, is one of meeting a temporary peak, not one of building for a prolonged expansion. The report said:

> It is only the concentration of demand in a few weeks in the autumn that causes trouble. Estimates of this year's peak have reached as high as 1,000,000 carloadings a week, but it is difficult to see where such heavy traffic is going to develop. Based on the usual seasonal relationships a peak of 950,000 to 960,000 seems more probable.

Three other reports are to be issued by the NAM, it has been announced. One on steel will be released before mid-November. The last two surveys, dealing with petroleum and strategic materials will be issued before Dec. 1.

N.Y.S.E. Not To Seek Review Of SEC Order

Emil Schram, President of the New York Stock Exchange, announced on Oct. 27 that the Exchange had determined not to file a petition for a court review of the Oct. 4 order of the Securities and Exchange Commission relating to dealer activity on other exchanges by members of the New York Stock Exchange.

The order of the Securities and Exchange Commission provided that:

> It Is Ordered, pursuant to Section 19 (b) of the Securities Exchange Act of 1934, that Section 8 of Article XIV of the Constitution of the New York Stock Exchange be and it hereby is altered so as to read as follows:
>
> Whenever the Board of Governors, by the affirmative vote of a majority of the Governors then in office, shall determine that a member or allied member is connected, either through a partner or other wise, with another exchange or similar organization in the City of New York which permits dealings in any securities dealt in on the Exchange, or deals directly or indirectly upon such other exchange or organization, or deals publicly outside the Exchange in securities dealt in on the Exchange, such member or allied member may be suspended or expelled as the Board may determine; provided, however, that nothing herein contained shall be construed to prohibit any member, allied member or member firm from, or to penalize any such firm for, acting as an odd-lot dealer or specialist or otherwise publicly dealing for his or its own account (directly or indirectly through a joint account or other arrangement) on another exchange located outside the City of New York (of which such member, allied member or member firm is a member) in securities listed or traded on such other exchange.
>
> It Is Further Ordered, that this order shall become effective on the 6th day of October, 1941.

The SEC order was reported in these columns Oct. 16, page 617.

Reserve Bank Directors

The member banks in Group 2 of the Federal Reserve Bank of New York, comprised of banks with capital and surplus of more than $300,000 and less than $10,000,000, have elected William J. Field, President of the Commercial Trust Co. of New Jersey, Jersey City, as a Class A Director, and Frederick E. Williamson, President of the New York Central Railroad, as a Class B Director of the bank. Each was chosen for a term of three years beginning Jan. 1, 1942. Mr. Field, who succeeds Otis A. Thompson, President of the National Bank & Trust Co., of Norwich, N. Y., is the first New Jersey man to be elected to the Board in several years. Mr. Williamson, the first railroad man ever to be elected to the Board, succeeds Walter C. Teagle, Chairman of the Standard Oil Co. of New Jersey.

Capitalist System Defended: Only Free Enterprise Can Prevent Nationalizing Insurance—Pink

Louis H. Pink, New York Insurance Superintendent, on Oct. 28 warned that only the continuance of free enterprise can prevent the ultimate nationalization of insurance in this country. Mr. Pink, who was addressing the convention of the Indiana Convention of Insurance Agents in Indianapolis, pointed out that insurance in many nations has already been nationalized. He also said:

> Centralization of authority is absolute in the totalitarian states and has increased vastly in those democratic nations which still operate outside the Nazi yoke. Much, if not all, of our own centralization is necessary to make efficient the national effort for defense, and to wage effectively the economic war with the totalitarian powers in which we have engaged for some time.
>
> Whether we like it or not, we are living in a different world. Probably never before has the future been more unpredictable. Seldom in history has the world been such a sad and unpleasant place in which to live. While we must accept those changes which are necessary to properly organize society, we must not lightly throw overboard the fundamental principles and ideals upon which this nation was founded. Freely admitting that great centralization of power is necessary, have we not a right to expect that the central government will insist on doing only those things which the states, cities, towns and the counties cannot effectively perform themselves? The preservation of our personal liberties as we have known and enjoyed them undoubtedly depends to a considerable extent upon the proper functioning of State and local self-government.
>
> The necessity for efficient organization and economic well being has also led to vast inroads by government into private business. This, too, is inevitable and necessary, but have we not a right to expect that government do only those things which it can do better than private industry and that it step in only when private industry cannot adequately perform its function?
>
> There must be a certain efficiency in absolutism. Otherwise Europe could not so quickly have been overrun. But certainly what is happening there should be no incitement to a change here. It is unfortunate that our economic form of life has been known as "capitalism." The word has come to mean concentration of wealth in the hands of a few and unfair oppression of the working people. Free enterprise is perhaps a better word, although there is no such thing as free enterprise without reasonable restraint. The reason why it is necessary for us to defend the capitalistic system is that if it is replaced with a planned economy our popular government, our individual liberties and our democratic form of life must perish. They can only survive in a state where there is econmic opportunity and cooperative control of industry by individuals and groups of people.
>
> Without free enterprise there can be no such thing as free speech, freedom of religion, freedom of assembly, government by the majority and the right to think and act as we choose. The very merits of the totalitarian state — discipline and order, leading to rigid control of industry and government by the dominant few—are the greatest threat to individual rights and to the existence of a kindly and cooperative society suc has we have in tthe United States.

Australian Government Increases War Budget

Australia's war expenditure for the year ending June 30, 1942 is estimated at £221,485,000 ($719,000,000), compared with £170,000,000 ($552,000,000) last year and £217,000,000 ($705,000,000) provided by the Fadden Government, is budgeted for by the Curtin Labor Government in the budget introduced on Oct. 29. This is learned from an announcement by the Australian News & Information Bureau of New York, from which the following is also taken:

> Treasurer Joseph B. Chifley told Parliament that service pay and invalid and old age pensions would be increased, civil expenditure would be decreased, taxation increased, and production of luxury goods restricted.
>
> The total budget will be £$324,965,000 ($1,056,136,250) compared with $1,037,744,500, proposed by the previous Government. . . .
>
> Treasurer Chifley said an additional $520,000,000 must be found from taxes and loans to finance the budget. $71,500,000 would be raised by taxation, and $448,000,000 by loan, an increase in borrowing of $23,400,000 over last year.
>
> Additional tax plans, to raise $94,500,000 for a full year, and $72,000,000 this year were outlined.
>
> Treasurer Chifley announced that the Government would implement also certain of the recommendations of the Royal Commission on Monetary and Banking to bring the operation of trading banks under effective control. The trading banks would be licensed by regulations which would provide that they should hold a deposit with the Commonwealth Bank in excess of their investible funds on a basis to be determined; publish accounts and balance sheets, and furnish statements as directed by the Treasurer and enable the Auditor-General to investigate and report on the affairs of the Bank. These powers Chifley said, would be exercised to prevent expansion of credit by the trading banks out of increased funds due to war activities. Overdrafts of private manufacturers, guaranteed by the Government with the trading banks to assist war production will in future be provided through the Commonwealth Bank.
>
> Mr. Chifley asserted the Government's determination to limit the scope of war profiteering, and to tax excess profits wherever they occurred.
>
> It will be recalled that Arthur W. Fadden, Prime Minister and leader of the coalition United Australia Party-Country Party government, was defeated on a budget introduced Sept. 25. Major estimates of expenditure of the Fadden Government have been adopted; but the plan for compulsory loans, repayable after the war at 2% simple interest, has been abandoned. The Labor budget increases war expenditure, and increases taxation on higher bracket incomes.

The Fadden Government's budget was discussed in these columns of Oct. 16, page 620.

Annual Report Issued By Commerce Ass'n

Coordination of commercial efforts with the national defense program and handling of business men's problems under the war time emergency have been among the major activities of the Commerce and Industry Association of New York, Inc., during its past year, according to the organization's annual report, which was recently made public by John Lowry, President of the Association. The report was signed by Thomas Jefferson Miley, Secretary. The report records the last year of the group's history under the old name, The Merchants' Association of New York, the name having been changed by vote of the membership on Aug. 27, 1941.

Among other major accomplishments of the fiscal year ended April 30, 1941, Mr. Miley lists:

1. Enactment of the Urban Redevelopment Corporations Law.

2. Public financial and tax work, which showed real returns in the form of tax reductions.

3. A foreign trade program that aided thousands of local importers and exporters to do business under rapidly changing and difficult conditions.

4. Work of the Committee on Reemployment of Men and Money, now under way, which should be of marked benefit to the City's financial markets and the country's industries.

5. Maintenance at a high level of efficiency of the Association's direct service to members through its eight bureaus, devoted to Publicity, Convention and Visitors, Foreign Trade, Industrial, Traffic, Research, Legislative Service and Membership.

In reviewing the Association's national defense activities, Mr. Miley stressed the aid given both to the Government and to business men by the Industrial Bureau.

Plans Post-War Aid

The State Division of the New York Chamber of Commerce is preparing to take an active part in helping industries to cope with post-war problems when peace comes, Commissioner M. P. Catherwood told members of the Chamber on Nov. 7 in describing the work of his department since its inception last May. Referring to the difficulties which the State and nation would face at some future time in changing from what now is equivalent to a war economy back to a peace-time economy, Commissioner Catherwood said:

> It seems to me obvious that then the existence of an established State Division of Commerce, fortified with the hard experience of these times and equipped with the knowledge and information which we are now accumulating rapidly, will be an asset of no small value to the State and to the people in meeting post defense problems.
>
> We do not know, of course, what shape these problems will take but we can be sure they will arrive. And when they do take form, we are certain your State Division of Commerce can be of material assistance in helping to tackle them and can successfully go on from there in serving the interest of all the people of the state by helping meet the problems of New York State business, industry and commerce in happier and more normal times.

Commissioner Catherwood explained that during its first six months of existence his department necessarily had been dealing with industrial problems resulting from national defense.

Labor Department Report On August Hours And Earnings Shows Tapering Trend

Hourly earnings of factory wage earners were 74.5 cents in August, an increase of 0.2% above the preceding month, Secretary of Labor Frances Perkins reported on Oct. 25. "This is the smallest percentage gain reported in any month since October of last year," she said. "One of the major factors contributing to the less pronounced gain was the change in the composition of the total factory force. The non-durable goods industries, in which hourly earnings are generally lower than in the durable goods group, showed a much more substantial gain in employment from July to August than the durable goods group. As in most previous months, overtime premium payments and wage increases also tended to raise the levels of hourly earnings although the reported wage increases during the month ending Aug. 15 affected substantially fewer workers than in the four immediately preceding months. Wage-rate increases affecting more than 290,000 factory workers and averaging approximately 7% were reported in August." Secretary Perkins added:

> While wage rate increases affecting more than 3,000,000 factory workers have been previously reported this year, the wage increases have not been of equal proportion for all industries, only a relatively small number of workers being affected in some industries, whereas in other industries the increases have been general throughout the entire industry.
>
> These wage-rate increases combined with widespread payments of overtime premiums and the hiring of large numbers of workers in the high-wage durable goods industries resulted in an increase of 12% in hourly earnings between August 1940 and August 1941. Average hours worked increased by 7% to a level of 41 hours per week in August 1941 and average weekly earnings of factory wage earners increased 21% to a level of $31.65. The greatest gains during this period occurred in industries engaged in the defense production effort.
>
> Wage earners in 36 of the 43 industries in the durable goods group averaged more than 40 hours per week in August 1941 indicating extensive use of overtime. Three strategic defense industries reported average hours of more than 50 per week per wage earner: firearms (52.2 hours); machine tools, (51.2 hours), and machine-tool accessories, (51.1 hours). Other important defense industries operated at the following levels: screw-machine products, (47.7); aircraft, (45.6); instruments—professional, scientific, and commercial, (45.1); brass, bronze and copper products, (45.0); shipbuilding, (44.4); abrasives, (44.2); explosives, (42.9); aluminum, (42.6); ammunition, (42.6); optical goods, (40.1); and smelting and refining—copper, lead and zinc, (39.5).
>
> Virtually all of the 90 manufacturing industries showed marked expansions in hourly earnings, average hours worked per week per wage earner, and average weekly earnings over the year interval, with the greatest gains occurring in durable goods. Average hours in durable goods in August (42.6) hours) showed a rise of 7.6% over the year, while those in nondurable goods (39.4 hours) increased 5.7%. Hourly earnings in durable goods (83.0 cents) rose 14.0% over August 1940, while those for the nondurable goods group (65.8) showed a gain of 7.6%. As a result of these increases, average weekly earnings in the durable goods group ($36.54) were 23.1% above August 1940, compared to an increase of 11.5% over the year in nondurable goods ($25.37).
>
> Among the non-manufacturing industries surveyed anthracite and bituminous coal mines showed substantial rises in average hours worked per week from July to August, following the observance of vacations during the July 15 pay period. These industries have shown marked gains in hours worked during the past year. Average weekly earnings in anthracite coal mines in August 1941 amounted to $33.56, a rise of 53.8% over the year and in bituminous coal mines average weekly earnings were $32.68, a rise of 32.3% over August 1940. Metal mining showed virtually no change in average hours worked as compared with August 1940, while a moderate increase occurred in quarrying and nonmetallic mining. Average hourly earnings were considerably higher than a year ago in both these industries, and weekly earnings showed rises of 12.9% and 18.2% respectively. Increased sales and commissions have been an important factor in gains in earnings reported in both wholesale and retail trade over the past year.

Farm Experts to Ecuador

Four members of the Ecuadoran Economic Resources Mission, a group of U. S. agricultural technicians going to Ecuador at the request of that country, sailed from New York City on Nov. 7, according to the Department of Agriculture which is cooperating in the project with the Department of State and the Office of the Co-ordinator of Inter-American Affairs. The other three members of the mission already are in Latin America. From the announcement we quote:

> The mission will make a complete survey of the agricultural and other economic resources of Ecuador with special reference to the production of export crops in demand in the other American Republics. Particular attention will be given to the feasibility of producing in quantity such articles as rubber, fibres, vegetable oils, drug plants and carpet wool. In addition to surveying resources, the mission, in cooperation with the Government of Ecuador, will formulate plans and present budgets for the initiation of an actual production program.
>
> Heading the mission is Ernest G. Holt, chief of the Biology Division of the Soil Conservation Service.
>
> Edward R. Kinnear, also of the Soil Conservation Service, is engineer and assistant leader. Lee Hines, pathologist and rubber specialist of the mission, is on the staff of the Bureau of Plant Industry as pathologist of the Tung Experiment Station at Bogalusa, La. The animal husbandman will be John M. Cooper, director of the Southwestern Range and Sheep Breeding Laboratory (at Fort Wingate, N. M.), of the Office of Indian Affairs of the Department of Interior.
>
> Messrs. Holt, Kinnear, Hines and Cooper, the four who sailed Nov. 7, will be joined in Cristobal, Panama Canal Zone, by Benjamin Birdsall, who has been assigned by the United Fruit Co. to serve the mission as soil scientist.
>
> Mission members already in Ecuador are Walter R. Schreiber, economist and marketing specialist, and William A. Larner, Jr., administrative assistant. Both are from the staff of the Office of Foreign Agricultural Relations.

Actuaries Institute Head Urges Better Grasp Of Life Insurance Fundamentals

Urging the necessity for a better understanding of the fundamentals of life insurance, Henry H. Jackson, President of the American Institute of Actuaries, criticized on Nov. 6 some of the "partial, misguided and ill-considered notions too frequently expressed regarding life insurance as an institution," in an address at Chicago before the actuaries of the leading American and Canadian life insurance companies, opening the semi-annual meeting of the Institute.

In opposing the professional critics of life insurance who proclaim that reserves to pay for future claims are unnecessary, Mr. Jackson, who is Actuary of the National Life Insurance Co. of Vermont, said that these critics are utterly blind to the significance of figures and did not understand the basic principles of life insurance. An unsound position is taken, he declared, by the "short-sighted advisers" who propose that the insureds should "rely solely on current term coverage and take their chances of paying the higher premiums required with advancing years." Mr. Jackson went on to say:

> One can feel some respect for the sincere critic of life insurance who nevertheless sees little but its faults. He may well be an ardent reformer who can make no allowance for the fallability of all human institutions. If he would tear down our democracy for its patent blunders and ineptitudes and substitute a despotism, I cannot follow him. I am too sure that despotisms become anything but benevolent. If he would abolish private enterprise and substitute state socialism or communism, I cannot follow him.
>
> To shut our eyes to all the excellences of life insurance as exhibited in much more than a century of successful practice of its basic principles in the English-speaking world and to dwell on every defect or supposed defect that a painstakingly critical investigation can search out, that is blindness beyond compare.

Preservation of the democratic course of life insurance, however, Mr. Jackson said, is dependent upon the vigilance of the institution in "detecting and correcting its own defects," and he added, "in the successful performance of this great task a heavy responsibility must always rest on the Actuary."

Warning against adding increasing tax burdens on life insurance, Mr. Jackson declared that taxation of life insurance constitutes a tax upon thrift and upon a particular kind of thrift peculiarly calculated to promote good citizenship. He further said:

> When a democratic nation has within itself a group of democratic institutions sponsoring thrift, stability of the home, self-reliance, self-respect, and social security, it does well to foster them by every appropriate type of protection it can afford, and by every means calculated to bring them through improvements from within, closer to unattainable perfection.

Describing the institution of life insurance as a "democracy within a democracy," which had grown up through a rare combination of mathematical and statistical skill, of conservatively progressive management, and of sincerely zealous salesmanship, Mr. Jackson said:

> In this specialized democratic world which we call the institution of life insurance, each policy owner shares a peculiar blessing not yet available in any of the political democracies operated by man, since the benefits enjoyed by each contributing member are in mathematical proportion to that member's contributions.

Gov't Extends Time To Export Wheat Flour

The Department of Agriculture announced on Oct. 23 extension of the final date for actual exportation of wheat flour—sold under the 1940-41 Wheat Flour Export Program—from Oct. 31, 1941, to April 30, 1942, and for making application for payment, from Dec. 31, 1941, to June 30, 1942. The Department's announcement adds:

> Of the 3,990,825 barrels of wheat flour sold for export (equivalent to about 18,360,000 bushels of wheat) during the 1940-41 fiscal year, approximately 445,000 barrels (equivalent to about 2,000,000 bushels of wheat) remain to be exported.
>
> Diversion of ships from regular schedules, difficulties in obtaining import permits, and similar factors, due to war conditions, are largely responsible for the delay in exportation. The extension of time, it is believed, will enable exporters to arrange for exportation of the greater portion of the unshipped wheat flour sold for export.
>
> The wheat and wheat flour export programs have been in operation continuously since August 1938, with changes from time to time in export destinations and rates. On July 16, 1941, the Department announced continuance of the program into 1941-42 and said "payments at rates announced from day to day will be made in connection with flour exported from continental United States ports to the Philippine Islands, the Virgin Islands, and to any country or place in the Americas and adjacent islands, except Puerto Rico, Alaska, and the Canal Zone, and to islands east of the Americas lying on or west of 40 degrees West Longitude."

Argentina Converts Internal Bonds

The Argentine government on Nov. 7 opened books on the conversion of internal bonds amounting to 2,500,000,000 pesos, the New York information bureau of that country announces. Bonds to be refunded are non-taxable 5 and 4½% issues, which are to be transformed into new 4% taxable bonds. It is stated that the bonds offered on the conversion will be redeemable in 33 years at a rate for the new issue of 108 pesos for each 100 pesos of the present bonds, carrying 5% coupons. The present 4½% bonds will be converted into 4s redeemable in 25 years, at a rate of 106.85 pesos for each 100 pesos of old bonds. Similar issues of 4½s, convertible into 4s, will be redeemable at 108.45 pesos in 41 years.

ABA Trust Conference For N. Y. Feb. 3-5

The 23d Mid-Winter Trust Conference of the Trust Division of the American Bankers Association will be held in New York City on Feb. 3, 4 and 5, it is announced by Richard G. Stockton, President of the ABA Trust Division, who is Vice-President and Senior Trust Officer of the Wachovia Bank & Trust Co. of Winston-Salem, N. C. The annual banquet, which will bring the conference to a close, will be held on the evening of Feb. 5. Both conference and banquet will be held at the Waldorf-Astoria.

Price Ceiling Fixed For Glycerine, Etc.

The Office of Price Administration on Oct. 27 issued a price schedule for glycerine, fixing the ceiling well below current levels. The price schedule for glycerine, an industrial chemical vital to the production of high explosives and the manufacture of many other defense articles, becomes effective Nov. 10. It establishes base maximum prices of 11½ cents a pound for crude glycerine (80% glycerol) and 18 cents a pound for the refined type, which compares with prices of 18 cents for crude and 21½ cents for refined, now quoted by refiners for fourth quarter delivery.

Price Administrator Leon Henderson also made known on Oct. 27 his decision not to impose any official price ceiling on rayon yarns at present. The action of one leading producer of acetate rayon yarn in revising its new price list to conform with the mid-September advance levels, which the OPA considered reasonable, accounted for the deferment.

On Oct. 29 the OPA amended its waste paper price schedule to extend it to 34 grades instead of 23 and made provision for granting jobbers allowances for services. The original ceiling, which became effective Oct. 1, was referred to in our issue of Oct. 2, page 398. Incident to the growing shortage of waste paper, the OPM Priorities Division on Oct. 24 restricted the use of waste paper by Eastern mills by 10% for the period Oct. 25 to Nov. 22. The restriction was made necessary, OPM officials said, "because the current supply of waste paper is inadequate to meet the needs of eastern producers of paperboard and roofing materials essential for national defense, private account and export."

With respect to control of silk, the OPM Priorities Division on Oct. 24 took action to obtain title to remaining silk in unbroken bales in order to make it available to holders of contracts for parachutes and for the government stockpile.

Cuban Sugar Exports

Cuban exports of sugar from Jan. 1 to Oct. 25 totaled 2,600,790 long tons, raw value, as compared with 1,865,898 tons during the same period last year, an increase of 734,892 tons, or 39.4%, according to advices from Havana to Lamborn & Co., New York, which also said:

> Shipments to the United States States amounted to 2,082,056 tons, as against 1,505,411 tons in the same period last year, an increase of 576,645 tons. The Cuban shipments to the United States is equivalent to 81.9% of its 1941 marketing quota for this country.
>
> To other destinations the Cuban exports aggregated 518,734 tons as compared with 360,487 tons during the similar period last year an increase of 158,247 tons.

Furniture Price Ceiling

The Office of Press Administration announced on Nov. 11 that it will soon issue a schedule freezing prices of wood furniture at their existing levels. At the same time the OPA issued a price schedule fixing maximum prices of upholstery furniture fabrics at 105% of those in effect on Sept. 10, 1941. The schedule replaces voluntary agreements made by the industry on Oct. 3. According to OPA, prices of furniture upholstery fabrics have shown an average increase of 24% in the first ten and one-half months of this year. It is believed that preventing further rises in furniture fabrics will implement the wood furniture ceiling.

Board Recommends Rail Wage Increase

The President's Fact Finding Board on Nov. 5 recommended pay increases for railroad labor averaging about 12½%. Increases of 30% had been asked for. The wage increase, if accepted would add about $270,000,000 to the wages of 1,150,000 employees.

In its recommendations to Mr. Roosevelt, the emergency board, headed by Dean Wayne L. Morse of the University of Oregon Law School, proposed that the 350,000 employes covered by the five transportation unions receive a wage increase of 7½% instead of the 30% they had demanded. A possible compromise which might be acceptable to these unions would be 10%, it was indicated.

The 800,000 employes covered by the 14 non-operating railroad unions would receive an additional 9 cents an hour, or an average increase of 13½% over present wage scales. The compromise discussed in labor circles as a possible basis for final settlement was 12½ cents an hour.

One of the board's proposals which seemed to irritate union leaders was that the temporary wage increase, effective as of Sept. 1, 1941, expire on Dec. 31, 1942, unless the parties extend it by agreement. The board refused to recommend increases in the basic wage scale, as demanded by the unions.

The only permanent wage increases proposed by the board were minimums of 40 cents an hour for employes on the short lines and 45 cents an hour for all other employes, including those employed by the Railway Express Agency whose men would receive a temporary increase of 7½ cents an hour.

May Ask Higher Freight Rates

Railroad management which accepted the above wage increases, is expected immediately to seek some freight rates increases, as suggested by the Presidential board. It is possible that the roads may ask "emergency" rates on selected commodities for the duration of any wage increase. This type of temporary rate increase was in effect during part of the depression years.

Rail officials are doubtful that the Interstate Commerce Commission—which must pass on any rate changes—would look with particular favor on any blanket increase in freight rates.

It is regarded as unlikely that the railways will tamper with their passenger fare structure at this time. Passenger business has grown rapidly over the past 10 months, and a number of roads now are reporting a profit from this operation, against a loss for a number of years.

Rail Unions Refuse Increase—May Strike

A strike of 350,000 operating employes of the railroads will be called soon to enforce a demand for a 30% wage increase, executives of the Big Five brotherhoods announced on Nov. 6. No official date has been set, but it is expected the strike will be ordered for Dec. 5.

The plans were announced after general chairmen of the Big Five on the individual railroads had "flatly rejected" the recommendation of the Presidential fact-finding board that the workers receive a temporary wage increase of 7½%.

The general chairmen urged their chief executives to "execute the strike order authorized by their members on Sept. 5."

New Real Estate Boards Officers

David B. Simpson of Portland, Ore., was elected President of the National Association of Real Estate Boards at the organization's recently concluded annual convention in Detroit. Mr. Simpson, who succeeds Philip W. Kniskern of Philadelphia, will serve for the year beginning January 1942. John C. Bowers of Chicago was reelected Treasurer of the Association. The Vice Presidents for the various regions are as follows:

Great Lakes Region: John W. Galbreath, Columbus, O., reelected.

Central Atlantic Region: Harry A. Taylor, East Orange, N. J., re-elected.

Southwest: William T. Richardson, Van Nuys, Calif., reelected.

Northwest: Hugh H. Russell, Seattle, Wash.

North Central: A. I. Madden, Des Moines, Ia.

New England: Lee Andrews, Old Greenwich, Conn.

Southeast: Kenneth S. Keyes, Miami, Fla.

South Central: R. W. Patton, San Antonio, Tex.

Following are the heads of the specialized branches of the Association in various fields of real estate:

President, American Institute of Real Estate Appraisers: William MacRossie, New York City and Greenwich, Conn.

President, Institute of Real Estate Management: Robert C. Nordblom, Boston.

President, Home Builders Institute of America: E. L. Crain, Houston.

Chairman, Brokers Division: Frank C. Owens, Atlanta.

President, Society of Industrial Realtors: Walter S. Schmidt, Cincinnati.

Chairman, States Council: Kenneth S. Keyes, Miami, Fla.

Chairman, Women's Council: Mrs. Madeline T. Spiess, Philadelphia.

Chairman, Secretaries Council: C. Philip Pitt, Baltimore.

The Detroit meeting, held Nov. 4-7, was the second largest convention in the Association's history with representatives from 40 States, Hawaii, the Philippines, and Canada, attending. St. Louis will be the convention city next year.

With respect to some of the action taken by the Association an announcement stated:

> 1. In the belief that national defense must now take first place in all our thinking and planning, it pledged loyal and self-sacrificing support to our national Government in protecting America and the institutions of democracy, expressed certainty that this unity of purpose will assure a victorious outcome.
>
> 2. It took a strong stand for preservation of private enterprise and of small business enterprise in this crisis, pointed out that if Government continues to absorb to an increasing degree the functions of private enterprise, the American way of living, which is based on private enterprise, will soon be endangered by the very process of defending it.
>
> 3. Realizing that home building for ordinary civilian needs can continue only so far as its continuance will strengthen the national economy without weakening our defense effort, the Association, through the Home Builders Institute of America, undertook immediately to bring before the proper agencies of the Federal Government the most accurate body of facts that can be brought together to measure both the economic advantage of continuation of ordinary home building in however skeletonized form and the feasibility of such continuance without jeopardizing national defense.

National Defense Increases Responsibilities Of Those Handling Insurance--R. B. McGaw

Increased responsibilities of the men who handle the fire, casualty, and surety insurance of the country, and the still greater responsibilities of their companies, was discussed at Springfield, Mass. on Oct. 30 by Robert B. McGaw, Chairman of the Committee on Insurance, National Association of Mutual Savings Banks, and President of the Hampden Savings Bank of Springfield. Mr. McGaw analyzed insurance problems in the light of national defense before the annual meeting of the Massachusetts Association of Insurance Agents. In part Mr. McGaw said:

> For one thing be sure that, in reality, the man who is the go-between actually becomes the agent of the insurance buyer, rather than the seller. Of course he should consider the interests of both, but let us hope that his consideration does not extend too far upon the side of the seller. You men who handle so many millions of dollars of insurance have a special obligation to the public, the Government and the Nation at a time when all of us are attempting to conserve our resources in furtherance of the national program.

Mr. McGaw undertook to define some of the lines of approach that he believes advisable, saying:

> For instance, let us look at fire insurance. We are familiar with the action taken by the Stock Company Association in the contract made with the Home Owners' Loan Corporation, whereby that corporation benefits to a greater degree than others holding a relative amount of property, but who are paying tariff rates equal to those paid by the corporation without the benefit of offsetting advantages. You will recall that the contract originally drawn between the Stock Company Association and the HOLC gave to the corporation one-fourth of fixed premium rates for its services of inspection, accounting and collection, and gave to the agents a flat 20%, or 45 cents out of the premium dollar whereas mutual savings banks with their great mortgage holdings—the largest held by any group of banking institutions—have little to say about the full rates which they are compelled to pay. I ask you if that can be considered a fair and equitable procedure? And please do not forget that our institutions represent 16 millions of depositors, who assuredly are entitled to some voice in fire insurance rates imposed upon their banks, who are investing their money.

Mr. McGaw added that the contract cited had been declared invalid in several states, and a new one negotiated which left remuneration of the HOLC upon an undetermined basis, but subject to services rendered. This contract now is under a probationary test.

Cotton Export Sales

The Department of Agriculture on Nov. 4 reported sales of cotton as of Oct. 31, 1941, under the export program of the Commodity Credit Corporation and the Canadian export payment program of the Surplus Marketing Administration. The Department states:

> These are separate programs, and cotton exported to Canada is eligible for payment of a subsidy by the Surplus Marketing Administration whether or not it has been purchased from the stocks offered by Commodity Credit Corporation. Officials of the Department said that the cotton sales were reported to the two agencies in order to qualify for these separate programs, and that the total actual sales for export to Canada probably slightly exceeded the amount reported to either agency, but obviously was not their combined total.
>
> Sales reported to CCC by exporters totaled 151,274 bales of cotton to six foreign countries through Oct. 31, 1941, under the program announced by the Department of Agriculture Sept. 18, 1941.
>
> Under the terms of the program, persons exporting or contracting under bond to export cotton, are eligible to purchase a similar quantity of 1937 crop cotton owned by Commodity Credit at a price of 13.25 cents per pound, basis 15/16 middling, at Carolina points. Purchase orders have been accepted for 52,616 bales of the total sales reported.
>
> Sales have been reported to the following countries: Canada, 136,102 bales; Cuba 6,850 bales; Colombia, 16 bales; Java, 1,000 bales; Sweden, 7,206 bales, and Switzerzland, 100 bales.
>
> Sales reported to the Surplus Marketing Administration by exporters, under the program for the export of cotton to Canada, amounted to 135,002 bales as of Oct. 31, 1941. This export program was placed in operation Sept. 27.
>
> Under the program Federal payments are made to exporters, at rates in effect at the time the sale is made, for United States cotton actually exported to Canada. Rate changes are announced from time to time and remain effective for the periods designated in the announcements. The announcements also fix the quantity of cotton which may be sold by any one exporter.
>
> The present rate of payment is three cents per pound net weight of cotton exported. This rate has been in effect since October 22, and is one-half cent higher than the rate given in the original announcement.

Supplemental Pay Plans By N. Y. Reserve Bank And Other Institutions

The Federal Reserve Bank of New York announced on Nov. 10 a "supplemental compensation plan" for all employees receiving less than $6,000 a year. The plan, retroactive to Sept. 1, calls for payment of 6% of the annual salary to employees earning less than $1,800 a year, while employees receiving between $1,800 and $6,000 will also receive supplementary pay at the same rate on the first $1,800, provided their total salary will not be raised above $6,000. The New York Reserve Bank has a staff of about 2,700 and an annual payroll of approximately $5,000,000. It is estimated that the extra compensation will cost the bank $250,000 annually.

Eugene W. Stetson, President of the Guaranty Trust Co. of New York, announced on Nov. 7 that in view of the increased cost of living, it has been decided that for the time being supplementary payments will be made to all employees (including officers) receiving a salary of $6,000 or less per annum.

The arrangement, effective Oct. 1, 1941, will be made on the following basis:

> At the end of each month during the period covered by this arrangement, each eligible employee will be credited with an amount equivalent to (a) 6% on the first $150 salary paid him during the month, plus (b) 4% on the next $100 of salary paid him during the same period. The amounts thus credited will be paid at the end of the quarter, Dec. 31, 1941.

Two other New York City banks—the First National Bank and the Marine Midland Trust Co.—also revealed similar plans on Nov. 7. The First National's plan, affecting only employees receiving up to $5,000 a year, provides for additional compensation equal to 6% on the first $1,800 salary and 4% on the next $1,200 of salary. The Marine Midland's wage adjustment schedule, which became effective Nov. 1, calls for payments to employees on the bank's payroll for six months or more at the rate of 6% of salaries up to $3,000 and 6% on the first $3,000 of larger salaries.

On Nov. 12 and 13 three other large New York commercial banks—Chase National Bank, National City Bank and Bank of the Manhattan Co.—announced plans for the payment of supplemental compensation. H. Donald Campbell, President of the Chase National, stated that the bank's supplemental payment, to all officers and employees receiving an annual salary of $6,000 or less, covers the quarter-year commencing Oct. 1 last and will be computed at the rate of 6% on the first $1,800 of annual salary and 4% on the next $1,200, which it is stated, will mean that for the quarter-year the additional payment will be at the rate of 6% on the first $450 of salary for the quarter and 4% on the next $300, and will be payable immediately after the expiration of the quarter. The National City's plan, as revealed by Gordon S. Rentschler, Chairman of the Board, also provides for supplemental allowances for the period Oct. 1 to Dec. 31, 1941, for annual salaries of $6,000 or less, with a payment of 6% on the first $150 of basic monthly salary and 4% on the next $100. F. Abbot Goodhue, President of the Bank of the Manhattan Co., revealed that his bank's plan, to be regarded as a bonus and retroactive to July 1, consisted of payment at the rate of 6% on that portion of salaries not exceeding $3,000 per annum of all employees and officers whose annual salaries are not more than $5,000.

On Nov. 18, John E. Bierwith, President of the New York Trust Co., announced that the company is arranging to pay additional amounts to all active members of its staff, other than officers, receiving salaries of $500 per month, or less, for each of the months of October, November and December, 1941, equal to 6% of the first $150 and 4% of the next $100 of the basic pay for each of those months.

Similar announcements were made on Nov. 19 to the staffs of the Irving Trust Co. and the Commercial National Bank and Trust Co.

Harvey D. Gibson, President of the Manufacturers Trust Co., announced on Nov. 24 that the Directors on that day had authorized payment of a bonus for the quarter beginning with Oct. 1, of 6% on the salaries of all employees of the Trust Company and Safe Deposit Company who receive $2,000 or less per year; of 5% to all those receiving salaries of $2,001 to $3,000 with the provision that no employee in this bracket shall receive less than the maximum bonus paid in the lower bracket, and of 4% to all those receiving annual salaries of $3,001 to $9,000, with the same provision as to the minimum amount. Bonuses for the current quarter will be paid by the Manufacturers Trust on Dec. 29 in United States Defense Bonds at the present purchase price or in cash, whichever is desired by the recipient.

Earlier this year Bankers Trust Co. and J. P. Morgan & Co., Inc., adopted wage adjustment plans and it is understood that several other New York commercial banks are considering similar plans to compensate for increased living costs.

Twentieth Century Fund Reviews Work

Disclosing a record of expenditures of nearly $2,000,000 in the past 12 years, The Twentieth Century Fund issued on Oct. 27 a special report which reviews the Fund's work since 1929. The Fund is an endowed institute for scientific research in current economic problems and its report reveals a growing focus, in recent months, on leading problems of national defense and post-defense readjustment.

"America today is obviously facing the severest test it has had to meet since our nation was founded," said Evans Clark, Executive Director of the Fund since 1928 and author of the report, "and unless we have adequate, independent and impartial research agencies to help solve not only our defense problems but also our long-range, post-defense economic problems, our whole democratic system is in danger. This is especially important when there is so much concentration of all kinds of activities—research and otherwise—in government."

In the review of 12 years' activities from 1929 to the present, Mr. Clark writes that if democracies are to solve these problems there is "need for careful objective studies, by the best available scientific talent, of the facts which underlie each problem. On the basis of the facts, policies should be built which (1) are immediately practicable and (2) represent the interests, not of any special group—economic, racial or political—but of the nation as a whole."

Mr. Clark observes that "studies are sterile unless the findings get wide public attention." He speaks of the conviction, shared by the Trustees of the Fund, that "the social sciences must find their way into action as have physics and chemistry. . . . This conviction has been greatly strengthened by the challenge of the dictatorships to the democracies—the urgent necessity for the non-partisan formulation and public acceptance of economic policies in the interest of the people as a whole." Mr. Clark points out:

> For the past 12 years the Fund has been developing a technique to fill this need. The resulting achievement, its Trustees believe, has begun to fill the urgent need in the United States for the formulation of constructive economic policies in the interest of the public.

The subjects of the major surveys, carried through since 1929 and reviewed in the report, have to do with consumer credit; prepayment group medical service; economic sanctions in relation to peace; internal debts of the United States; taxation; government debts in relation to government credit; old-age security; security market control; and the costs and methods of distribution.

A press release bearing on the review also says:

> Since the international crisis has developed the Fund has issued reports on housing in relation to national defense and on labor and defense. At present, the report reveals, special research staffs are at work on the following subjects with special reference to long-range problems, including post-defense readjustments: housing, collective bargaining and the relation of government to the electric light and power industry. The Fund is also completing a survey of the effects of short selling on the security markets.
>
> Accompanying the 12 years' review is a financial report showing total expenditures of $1,942,000 during the fiscal period 1929-1941. The chief source of income of The Twentieth Century Fund is a trust fund and endowment provided by the founder, the late Edward A. Filene of Boston. This income, now approximately $180,000 annually, is administered as a public trust by a Board of Trustees whose members include business and professional leaders, educators and government officials. During the early years of its existence the Fund's activities were confined to making grants to outside agencies; but since 1937, by vote of the Trustees taken shortly before the death of Mr. Filene, the Fund has merely carried out previous commitments of this sort and now devotes its entire income to its own activities as a research institute.

John H. Fahey is President of the Fund, Henry S. Dennison is Chairman of the Executive Committee, and Percy S. Brown is Treasurer. In addition to the officers, the other Trustees are: A. A. Berle, Jr.; Francis Biddle; Bruce Bliven; Oswald W. Knauth; Morris E. Leeds, Robert S. Lynd; James G. McDonald; Charles P. Taft; Harrison Tweed. J. Frederic Dewhurst is Economist of the Fund, in charge of the Research Department; Thomas R. Carskadon is Chief of the Education Department; and Elizabeth Mann, Chief of the Publishing Division.

Predicts Serious N. Y. 1942 Unemployment

New York will face a serious unemployment problem next year as the nation's defense effort gathers momentum and the city's industries find it increasingly difficult and in some cases impossible to secure raw materials under the priorities system, Percy H. Johnston, President of the N. Y. State Chamber of Commerce, warned on Nov. 9. He urged that city officials, leaders of industry and labor and civic and business organizations arrange for an early joint discussion of ways and means to increase the participation of local industries in defense work and maintain non-defense employment in the city at as high a level as possible during the emergency. In part, Mr. Johnston said:

> Although New York is the greatest manufacturing city in the nation, the non-defense character of its industries as a whole is proving a severe handicap to wider participation in defense work in the present national crisis. The fact that less than 7% of the city's 35,000 factories and only about 23% of their 670,000 employees can be classed in the 15 major industries listed by the Office of Production Management presents a potential problem of unemployment which will grow more serious as the defense effort gathers momentum.
>
> Unless they can change over their plants to handle some type of sub-contract defense work, many of these factories will have to drastically curtail their activities and reduce the number of their employees or shut down entirely because of failure to obtain sufficient raw materials under the priorities system.
>
> The Mayor's Business Advisory Committee and the City Department of Commerce, under the direction of Commissioner George A. Sloan, have made considerable progress in bringing potential sub-contractors and prime contractors in contact as a step toward securing more defense work for New York maunfacturers.
>
> The securing of sub-contract defense work for New York manufacturers, however, is only one phase of the unemployment problem which necessarily must face the city as a result of the requirements of the defense program. Manufacturing gives employment to less than one-third of the city's 2,170,000 wage earners. About 27% of this number are employed in the wholesale and retail trades alone. As raw materials become scarcer and priorities are more rigidly enforced, retrenchment and reduction in employment will follow.
>
> We must meet the threat of a large dislocation of employment in New York next year and take steps now to combat it. Every effort must be made to secure a maximum of defense work for the city's present industries and to attract new defense plants here to provide jobs for workers displaced in non-essential industries. City officials, leaders of industry and labor and civic and business organizations must give their best thought to a solution of the problem. A joint conference of these groups should be arranged without delay to determine how the participation of the city's industries in defense work can be still further increased and non-defense employment maintained at as high a level as possible during the emergency.

Says We Must Reduce Non-Defense Outlays

An immediate cut in the non-defense expenditures of the government was urged at St. Louis Mo. on Nov. 6 by Richard G. Stockton, President of the Trust Division of the American Bankers Association, in an address at the opening session of the Association's annual Mid-Continent Trust Conference. Mr. Stockton, who is Vice-President and senior Trust Officer of the Wachovia Bank & Trust Co., Winston-Salem, N. C., pointed out that the government has urged the public to reduce its expenditures for consumer's goods and declared that the people have a right to expect the government to reduce its unnecessary expenditures also. In part, Mr. Stockton said:

> As busy trust men we may not realize how much our beneficiaries — and our business—are affected by political and economic events taking place about us. The Secretary of the Treasury has recently asserted that the present debt limit of 65 billion dollars will have to be raised considerably. Expenditures for this fiscal year have been estimated at 24.5 billion dollars; estimated receipts at 12 billion, leaving a net deficit of at least 12.5 billion dollars.
>
> All of you, no doubt, are familiar with the tax provisions of the recently enacted Revenue Act of 1941. I do not need to tell you what effect it will have on the incomes of your beneficiaries, most of whom are widows and children. . . .
>
> We recognize that this defense program will cost money—and a lot of it. Beneficiaries of trust funds, women, children, aged people, educational and charitable institutions, all dependent upon income, realize that they must pay higher taxes. I am sure they heartily agree with a recent statement by Chairman Vinson of the House Naval Committee that "Americans will have to sacrifice peace-time luxuries to accelerate national defense."
>
> They will gladly reduce their peace-time standard of living to help pay for rearmament. At the same time, they have a right to expect government—local, State and Federal—to dispense with its "peace-time luxuries." Capital expenditures of local governments have been curtailed by priorities for materials.
>
> There has been no such check upon non-defense Federal spending. This has continued not only as usual, but to a greater extent than usual. As shown by budget estimates, the new record for 1941-42 for ordinary expenses is 7 billion dollars. We, as citizens as well as trust men charged with the welfare of our beneficiaries, have a very definite present duty to build up a strong local sentiment in our cities, counties and states to offset the old feeling that "If this community doesn't get the Federal appropriation, somebody else will." While we are prone to put on Congress all the responsibility for Federal expenditures, when we are entirely frank with ourselves we must admit that high pressure and politically strong groups from practically every community in our country should take their full share of the responsibility. Should we not now exert every influence to turn this pressure toward the elimination of non-defense expenditures? Efforts in this direction in every section of the country, I believe, would be most welcome to our Senators and Congressmen. Now is the time to act.
>
> By deferring such expenditures we are accomplishing two things: First, we are helping to relieve the tremendous strain on our national debt and economy, and second, we are providing a backlog for non-defense projects to help tide us over the readjustment period. As a safeguard to the continued solvency of the nation, it is imperative that there should be an immediate and drastic cut in non-defense spending by the government.

Savings Bank Study

A comprehensive study of current methods of interest payment on savings accounts, of the ways and means by which savings banks can lower their operating expenses, and of the practical methods of offsetting competition for new accounts offered by other savings institutions, has been prepared by the Savings Division of the American Bankers Association and is ready for distribution, according to Stuart C. Frazier, the Division's President, who is Executive Vice-President of the Washington Mutual Savings Bank, Seattle, Washington.

Titled "Preserving Your Bank's Leadership in the Savings Field," the study sets forth statistics showing that only one new saver in six today goes to a bank. The other five new savers, the study shows, place their money in competing institutions or savings plans. From the announcement we also quote:

> Several thousand banks contributed to the surveys which made the study possible. In effect, the survey recommends that many banks should reverse their present policy of establishing restrictions against savings accounts. All legitimate savings in the community should be accepted by banks, the study sets forth.
>
> Five specific recommendations are made which, the study declares, will go far toward reducing operating expenses of savings banks, thus making it possible for reductions of interest rates and restrictions against large accounts to be relaxed. These recommendations involve: Changes in methods of computing interest of savings accounts; adoption of a split-rate plan of interest payment based on the length of time money remains on deposit; adoption of a split-rate plan of interest payment based on the size of accounts; adoption of account activity controls, and analysis of savings accounts.

The survey states:

> Banks, especially in populous centers, are following policies of discouragement to the savings public. The time is not long past when banks were clamoring for savings deposits and were offering attractive inducements to attain them. This is in pronounced contrast to the present-day situation when so many of the country's banks, of varying sizes, are repelling, and in many instances actually refusing genuine savings money offered them. It is not unreasonable to assume that the time will arrive when banks will again seek to attract savings funds of the public which many have, by their recent and present attitudes, forced into competitive channels.
>
> This brings up two important questions:
>
> (1) Has the rate of interest on prime investments for savings funds so drastically declined in the past five years as to necessitate a reduction to the vanishing point in interest paid on savings deposits?
>
> (2) Are banks following the course of least resistance by lowering rates to the irreducible point in endeavoring to reduce their cost of doing business?
>
> After all, following the desire for safety, is not the secondary concern of owners of savings funds the rate of return? One of the principal purposes of this report is to suggest plans which banks can adopt to effect reductions in interest paid without depriving the owner of true savings of the highest rate to which his money is entitled and which is consistent with safety.

Banks For Cooperatives Get More From Treasury

In an announcement bearing on borrowings of farm co-operatives, issued by the U. S. Department of Agriculture on Nov. 18, it is stated:

> In recognition of the increased credit needs for several banks for cooperatives, Governor A. G. Black of the Farm Credit Administration, has subscribed to additional capital stock in the banks on behalf of the Government. The subscriptions amount to $59,000,000, of which $14,000,000 had been paid in at the end of September. This stock was subscribed from the Revolving Fund authorized by the Agricultural Marketing Act.

The announcement also says that farmers' marketing, purchasing and farm business service cooperatives borrowed nearly twice as much money from the banks for cooperatives in the first nine months of 1941 as they did in the corresponding period of 1940. This, said the Department, is seen as reflecting both higher price levels and greater business activity. The Department likewise said:

> This year the cooperatives obtained $126,000,000 in credit from the 12 district banks and the Central Bank in the nine months, while in 1940 the total was $67,000,000 for the same period.
>
> Outstanding credit reached a new month-end peak of $105,000,000 on Sept. 30, 1941, according to a report of S. D. Sanders, Cooperative Bank Commissioner. This compares with a total of approximately $80,500,000 outstanding a year earlier. Included in the figures for each year is Commodity Credit Corporation paper bought from cooperatives. CCC paper held on Sept. 30, 1941 amounted to $11,275,000.
>
> Credit to grain cooperatives accounted for about 22% of the total outstanding; to fruit and vegetable associations, 19%; to cooperatives handling farm supplies, 16%; to cotton cooperatives, 10%; to associations providing farm business services, 8%; and to dairy cooperatives, 7%. The remaining amount was outstanding to associations handling a variety of products.

Payment Rate In Farm Conservation Program

Rates of payment for planting within special crop allotments under the 1942 Agricultural Conservation Program of the AAA were announced on Nov. 3 by the Department of Agriculture. The rates and other provisions of the program are directed at greater conservation achievements on individual farms and at helping farmers attain record production of farm products needed under the Farm Defense Program.

As in former years, says the Department, farmers may earn two types of payments under the 1942 program: one for planting within special allotments such soil-depleting crops as corn, wheat, cotton, tobacco, rice, potatoes, and peanuts, and the other for carrying out soil-building practices. The Department points out that soil-building allowance rates for individual farms were announced last July, and remain the same as designated on that date except that the 70-cent per acre rate used as a basis for computing the allowances will apply generally rather than only in certain areas. The announcement adds:

> The total amount of funds budgeted in 1942 for special crop allotment rates is about the same as in 1941. Payment rates, except for wheat, are somewhat lower than in 1941. Due principally to a substantial decrease in the 1942 wheat acreage allotment, the wheat payment rate for 1942 will be 2.5c. per bushel higher than in 1941. Payment rates for 1942, based on normal yield of allotted acreages, are shown below, together with the 1941 rates:

Crop	1941 Payment rate	1942 Payment rate
Corn (commercial area), per bushel	9c	8c
Cotton, per pound	1.37c	1.25c
Wheat, per bushel	8c	10.5c
Rice, per 100 pounds	5.5c	3c
Peanuts, per ton	$2.25	$1.45
Potatoes (commercial) per bushel	2.3c	2c
Flue-cured tobacco, per pound	0.9c	0.7c
Burley tobacco, per pound	0.8c	0.7c
Flue-cured tobacco, per pound	0.8c	0.7c
Dark air-cured tobacco, per pound	1.0c	0.9c
Virginia sun-cured tobacco, per pound	0.8c	0.9c
Pennsylvania tobacco, Type 41, per pound	0.5c	0.4c
Cigar filler and binder tobacco (other than types 41 and 45), per pound	0.8c	0.7c
Georgia-Florida tobacco, Type 62, per pound	1.0c	0.9c

Payment for complying with acreage allotments will be made ratio to the degree to which soil-building goals are carried out on the farm.

As in previous years, payments under the program depend upon the $500,000,000 annual appropriation authorized in the Agricultural Adjustment Act of 1938, and rates are subject to a 10% revision up or down—depending upon the degree to which farmers generally participate in the program—when final payments are made.

In lieu of total soil-depleting allotments established under past programs, the 1942 program provides that a specified percentage of cropland be devoted to soil-building and soil-conserving uses.

"Know Your Taxes" Folder Is Issued

As a convenience to taxpayers Secretary of the Treasury Morgenthau made public on Oct. 26 a folder, "Know Your Taxes," which shows at a glance the approximate amount of individual income taxes due next year on 1941 salary and wage incomes of selected sizes and the amount of monthly savings needed to meet these payments. In its announcement the Department states:

> Arrangements have been made with the Federal Reserve banks to furnish each commercial bank in their district an ample supply of these folders for enclosure in the next statement of accounts mailed to depositors. In addition, it is planned to include the folder in the December "reminder" to taxpayers mailed out by their local Collectors of Internal Revenue.

By using this simple guide, the Secretary explained, a taxpayer may ascertain with a minimum of effort the portion of his monthly income he must set aside regularly to meet next year's tax payments.

The new tax tables augment the easy savings plan inaugurated last Aug. 1. At that time the Treasury placed on sale a new type of security known as Tax Savings Notes which enables taxpayers to save systematically and conveniently to meet next year's higher taxes. These notes bear interest when used in payment of Federal income taxes and provide the purchaser with an investment in advance to meet future taxes.

In making the announcement, Secretary Morgenthau reiterated his belief that it is extremely important for taxpayers to budget their taxes in view of the greatly increased levies, and expressed the hope that this new plan would be helpful. It is also pointed out by the Treasury Department:

The new tables disclose, for instance, that if your net income for 1941 is $5,000 and you are a single person with no dependents, you must save at the rate of $40 every month, or $483 a year, for your Federal income taxes. If you are married but have no dependents, your savings for taxes should amount to $31 per month, or $375 a year. If you are married and have one dependent, you must save $27 a month, or $323 a year. If you are married and have two dependents, you must save $23 a month, or $271 a year. If you are married and have three dependents, you must save $18 per month, or $219 a year, for the payment of Federal income taxes.

These tables begin at the lowest amount and include income tax classifications up to net incomes of $25,000 a year. The Tax Savings Notes being offered by the Treasury are issued in two series, both dated Aug. 1, 1941, and maturing Aug. 1, 1943. They cannot be presented in payment of income taxes before Jan. 1, 1942, and must be held by the purchaser at least three months if they are to be used for that purpose. On Jan. 1 of each year hereafter, two new series of notes will be provided so that a taxpayer can always purchase notes during the entire year in which he is receiving his income for use in payment of taxes due the following year.

Two Defense Handbooks

Two defense handbooks, one summarizing all price and priority regulations to date and the other listing every product subject to export control, have just been published by the N. Y. "Journal of Commerce."

All government and voluntary price controls and priorities are brought up to date in the Price and Priority Digest. In addition to giving the status of nearly 200 commodities and commodity groups, prospects for civilian allotments are also reviewed for quick reference on part of the purchasing executive.

The new edition of the Export Control List embraces 32 pages of product listings with all licensing and destination symbols posted next to each item.

Both supplements have been published in tabloid form and may be had at 10 cents each from The N. Y. "Journal of Commerce," 63 Park Row, New York. A limited supply of OPM and OPA order texts, as published in the columns of the "Journal of Commerce," is also available at the same price.

Tax Note Transferral

Secretary of the Treasury Morgenthau has approved an amendment to Treasury Department Circular No. 667, the original announcement of issue of two series of Tax Savings Notes, in order to permit parent corporations to buy the notes and subsequently to transfer them to subsidiaries. The text of the amended section of the circular follows:

The United States of America
Treasury Notes
Tax Series A-1943
Tax Series B-1943
Dated Aug. 1, 1941
Due Aug. 1, 1943
Issued at Par and Accrued Interest
Acceptable at Par and Accrued Interest in Payment of Federal Income Taxes

1941
Second Amendment to Department Circular No. 667

Fiscal Service
Bureau of the Public Debt
Treasury Department,
Office of the Secretary,
Washington, Oct. 21, 1941

1. Section II (1) of Department Circular No. 667, dated July 22, 1941, is hereby amended to read as follows:

1. General.—The notes of both series will be dated Aug. 1, 1941, and will mature Aug. 1, 1943. The owner's name and address, and the date if issue will be entered on each note at the time of its issue by a Federal Reserve Bank. The month in which payment is received by a Federal Reserve Bank or Branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred except in the case of notes issued in the name of a parent corporation, in which case they may be reissued in the name of a subsidiary of that corporation with the same dating as the notes surrendered, upon presentation to the Federal Reserve Bank of issue; for the purposes of this paragraph a subsidiary corporation is defined as one more than 50% of whose stock with voting power is held by another corporation. No hypothecation of the notes on any account wlil be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money. Except as herein provided, the notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

(Signed)
H. MORGENTHAU, JR.,
Secretary of the Treasury.

The text of the original circular describing the notes appeared in these columns of Aug. 2, page 625.

Carle C. Conway Says Business Goes Ahead

Speaking on the subject "Business Goes Ahead," Carle C. Conway, Board Chairman of Continental Can Co., Inc., in addressing the Real Estate Board and the Chamber of Commerce at Kansas City, Mo., on Oct. 24, declared that "business has to go ahead under any and all conditions. It can never stand still. It must go forward or ultimately it dies." Because of its ability to go ahead in the face of opposition, "business," he said, "is the last outpost and the only bulwark in time of war, revolution or social upheaval, between obsolute chaos and the orderly procedure of civilized society."

Pointing out that our country was discovered and developed by adventurous capital, Mr. Conway declared that the system of free enterprise has enabled the American people to create one-half of the world's wealth during the last century, the greater part of it during the lifetime of the generation now living.

In discussing the handicaps under which business labors, Mr. Conway said that those who seek to "divide the wealth" are not creating it, nor increasing production. Continuing, he said:

> "It is American business men, and the businesses they conduct, which are performing, and will increasingly perform, miracles of prodigious production in our nation's emergency. The very industries which one department of the Government has been trying to 'atomize,' other departments are now forced to utilize in the nation's defense.
>
> "It is the tremendous purchasing power of the American market which has made big business essential, and vice versa. Yet bigness, serviceable or not, has been attacked as something almost sinful and wrong. To make a bet with capital has been discouraged; it is considered almost immoral to make a bet for capital appreciation. But it has again been made almost moral to bet on horse races.
>
> "It is time we lifted up our heads. It is time we appreciated our strength and serviceability and power. We have the opportunity of proving for all time that under the American system of free enterprise American business men, doing things the American way, can accomplish more than any other system on earth.
>
> "Business stands absolutely united bank of the national defense program of our country. It is willing to sacrifice, willing to work as it has never worked before, for the common objectives of our nation's interest."

More Insure Crops

Increased participation in the Federal crop insurance program for the fourth consecutive year was reported on Nov. 7 by the U. S. Department of Agriculture On Oct. 15, said the Department, the Federal Crop Insurance Corporation had insured 437,633 farms, mostly 1942 winter wheat in contrast to 420,886 contracts written on both winter and spring wheat acreage for 1941. The Department reported Leroy K. Smith, Manager of the Corporation, as saying:

> Additional spring wheat contracts in the Dakotas, Minnesota, and Montana, where farmers have until Feb. 28 1942, in which to insure their crop, is expected to swell the total insured farms to close to half a million.

Cotton Output Ample For Expected Demand

The Nov. 1 cotton report leaves prospects for the current cotton crop in approximately the same position as at the start of the previous month. The latest estimate places the crop at 11,020,000 bales, in comparison with the Oct. 1 figure of 11,061,000 bales. The figure is now virtually final for, slow as ginning of the current crop has been nevertheless over 72% of the calculated output has gone through the process. So far, the proportion of the crop ginned has been a trifle under the corresponding date of 1940. And the Department of Agriculture has calculated that ginnings up to Dec. 1, 1940, were the smallest of any year since 1926. Ginning has progressed this year at varying rates in different geographical areas; in the section of the country east of Oklahoma and Texas, the proportion ginned to date has been substantially above average, but in the other areas the figures are sub-normal. Texas alone accounts for about 25% of the crop, and in this area only about half the estimated crop, 1,498,141 bales, had been ginned up to Nov. 1.

The area planted to cotton this year, 23,519,000 acres, was the smallest ever recorded (records are available since 1909) and abandonment this year has exceeded the average, so that the area left for harvest, it is believed, will amount to only 22,633,000 acres, the smallest since 1895. Nevertheless, due to the relatively high yield per acre the crop is not correspondingly reduced except when compared with very recent years when yields have been even higher than this year. This year's output compares with 12,566,000 bales in 1940 and a 10-year (1930-39) average of 13,246,000 bales. Actually, it is greater than five of the crops produced in the past 20 years from much wider areas. It is not much below annual domestic requirements plus exports in what have been regarded as normal years in the past and is about equal to expected record domestic consumption plus probable depressed exports in the current crop year. Consequently, it is not to be expected that much, if any, of last July's 12,250,000 bales carryover will be dipped into this year.

It is interesting to observe that in an average year since 1933 the area producing cotton has fallen off about 28% compared with the annual average in the fourteen years prior to 1933. Still, between the periods 1919 to 1932, inclusive, and 1933 to 1940, inclusive, average annual production has dropped only a little more than 5%. The tremendous area thus made available to other productive purposes seemingly presents at one time a great additional national asset and a grave social and economic problem.

To Sell Defense Bonds

Eugene C. Donovan, President of the New York State Bankers Association, on Oct. 31 notified Secretary of the Treasury Morgenthau that all of the 706 banks in New York State eligible to qualify as issuing agents for Defense Savings Bonds, Series "E," have become so qualified. Mr. Donovan stated:

> "I am delighted to be able to tell Secretary Morgenthau of the fulfillment of a promise made earlier this year that the banks of this State would cooperate 100% in this vitally important Defense Savings Program. This is only the first step, however. Much hard work needs to be done, and the banks in this State stand ready and willing to do it."

Bank Stock Offered

Following the signing on Nov. 6 of an underwriting agreement with Smith, Barney & Co. and 26 other leading investment banking houses, public offering was made on Nov. 7 of 160,000 shares of $10 par value capital stock of Philadelphia's largest trust company and second largest commercial bank—The Pennsylvania Company for Insurances on Lives and Granting Annuities. The offering was made simultaneously with the bank's offering of rights to stockholders of record Nov. 3, and the shares are priced both to stockholders and the public at $28 each. The stockholders had until Nov. 17 to exercise their rights to buy the additional shares on a pro rata basis. The public offering was subject to stockholders' prior subscription of the shares.

At the time the stockholders gave their approval on Nov. 3 to the increase in the bank's capital stock from 840,000 to 1,000,000 shares, it was announced that proceeds from the sale of the additional shares would be used to augment the bank's capital funds and thereby create a better balance between capital funds and deposits, made advisable by substantial increases in both deposits and loans. Surplus and undivided profits will then total approximately $16,400,000.

The plans to increase the capital of the institution were referred to in these columns Sept. 18, page 222. Incident to the action of the Pennsylvania Co. it is said to be considered probable that other leading commercial banks may take steps to build up their capital positions for the same reason that the Pennsylvania Co. decided to do so. If so, it is noted, this would be the first general movement of its kind since the advent of the depression and would aid the banks in caring for increased business which has been due in part to the country's national defense efforts and to their cultivation of new types of business with merchants and the public.

The complete list of underwriters and the number of shares of the Pennsylvania Co., underwritten by each, follow:

Name—	Shrs. to be Underwrit.
Smith, Barney & Co.	20,000
Harriman Ripley & Co., Inc.	20,000
Drexel & Co.	20,000
Blyth & Co., Inc.	10,000
The First Boston Corp.	10,000
Merrill Lynch, Pierce, Fenner & Beane	10,000
Kidder, Peabody & Co.	8,000
E. W. Clark & Co.	4,000
Eastman, Dillon & Co.	4,000
Estabrook & Co.	4,000
Goldman, Sachs & Co.	4,000
Jackson & Curtis	4,000
Lazard Freres & Co.	4,000
Lee Higginson Corporation	4,000
Paine, Webber & Co.	4,000
Stroud & Company, Incorporated	4,000
Auchincloss, Parker & Redpath	2,500
Graham, Parsons & Co.	2,500
Hemphill, Noyes & Co.	2,500
Hornblower & Weeks	2,500
Laird, Bissell & Meeds	2,500
W. H. Newbold's Son & Co.	2,500
E. H. Rollins & Sons, Incorporated	2,500
Tucker, Anthony & Co.	2,500
Whiting, Weeks & Stubbs, Inc.	2,500
Yarnall & Co.	2,500
Biddle, Whelen & Co.	1,000

Smith, Barney & Co., later announced that subscriptions received from the stockholders and sales to the public have exceeded the total amount offered.

The company is the largest trust company and the second largest bank in Philadelphia and has an uninterrupted dividend record of 113 years.

Biggers On Leave

President Roosevelt on Oct. 30 granted a leave of absence to John D. Biggers, Special Minister to London, expediting lease-lend aid. Mr. Biggers, who recently returned from his post in England, told the President that curtailment of the automobile and building industries required that he return to his position as head of the Libby-Owens-Ford Glass Co. for necessary readjustment and conversion. In granting the leave, the President said he was "most appreciative" of the work done and was "very certain" that the Government will need further services from Mr. Biggers.

Christmas Club Members To Get $400,000,000

About $400,000,000 will be distributed to more than 8,000,000 Christmas Club members by approximately 5,000 banking and savings institutions and other organizations during National Prosperity Week starting Dec. 1, according to an estimate given out on Nov. 12 by Herbert F. Rawll, founder and President of Christmas Club, A Corporation, sponsors of National Prosperity Week. The total distribution for 1941 is about 10% in excess of 1940. The average distribution per member amounts to $48.50, the same as for 1940. The announcement in the matter says:

> Based upon recent reports from individual Chrismas Club members and applying these reports to the entire distribution for 1941, the estimated fund of $400,000,000 will be used by the recipients approximately as follows:

Christmas purchases	33.8%	$135,200,000
Permanent savings	24.5	98,000,000
Year-end bills	12.8	51,200,000
Insurance premiums	11.5	46,000,000
Taxes	11.1	44,400,000
Education, travel and charity	3.5	14,000,000
Mortgage interest	1.7	6,800,000
Unclassified	1.1	4,400,000
	100.0%	$400,000,000

> About $25,000,000 of the amount permanently saved this year will be used for purchases of U. S. Defense Savings Bonds.

In the distribution of Christmas Club funds this year, New York State leads the other States with about $113,000,000; the estimates for Pennsylvania are $42,000,000; for Massachusetts $36,000,000; for New Jersey $28,000,000. New York's Metropolitan district will receive about $70,000,000. The Bank of America N. T. and S. A. in California will distribute $19,000,000 to 400,000 members. The Bank of the Manhattan Co. has $5,250,000 for 100,000 members enrolled at 49 offices in greater New York. The Seamen's Bank for Savings in New York City has an approximate total of $2,500,000; The Dime Savings Bank of Brooklyn $1,500,000; The Fidelity Union Trust Co. and the Howard Savings Institution, both of Newark, N. J. each have $1,600,000 and the Trust Company of New Jersey and the Hudson County National Bank both in Jersey City each have a sum approximating $1,250,000.

Colombian Bond Progress

Over 40% of the Republic of Colombia 6% external sinking fund gold bonds, due Jan. 1, 1961 and Oct. 1, 1961, held in the United States, have been tendered in exchange for the Republic's new 3% external sinking fund dollar bonds, Gabriel Turbay, Colombian Ambassador to the United States, announced on Oct. 28. The exchanges are being effected through The National City Bank of New York as agent. "The progress which is being made in effecting the exchange of bonds is highly satisfactory," said Dr. Turbay, "and we expect that it may be augmented very substantially in the near future as the result of arrangements now pending to enable holders out of the United States to transmit their 6% bonds for exchange for the new loan."

The exchange offer provides for issuance of new 3% sinking fund dollar bonds, due Oct. 1, 1970, in equal principal amount in exchange for the 6% bonds of which $43,176,500 are outstanding. The balance of the new $50,000,000 loan is reserved for issuance for past due coupons of the 6% loans. The interest coupons on the new bonds are being paid currently at the offices of Hallgarten & Co., 44 Wall Street, and Kidder, Peabody & Co., 17 Wall Street, New York City. The details of the exchange plan were given in our issue of June 7, page 3572.

Farmers Name Committee

The appointment of a committee representing the four major farm organizations to work with the Commodity Exchange Administration on futures trading problems was announced on Oct. 31 by the Departemnt of Agriculture.

J. M. Mehl, Chief of the Commodity Exchange Administration, said the purpose of the advisory committee appointed by the farm organizations is to help establish regular and more frequent contacts between the farm groups and the Commodity Exchange Administration. Membership of the Committee consists of three (or more at the discretion of each organization) representatives from each of the four major farm organizations—the Farm Bureau, the National Grange, the Farmers Union and the National Council of Farmer Cooperatives. Regarding the Committee, Mr. Mehl said:

> "I hope the advisory committee will enable farmers generally to gain a better insight into futures market operations, and to express their views on current regulatory problems more directly and frequently.
>
> The farm organizations and farmer cooperatives have a large stake in the proper functioning of the Nation's agricultural marketing machinery, of which the futures trading system is a part. The experience of the agricultural and cooperative leaders appointed to the advisory committee should be very helpful in attempting to solve current futures market problems and in making adjustments necessitated by wartime conditions. The interest of the farm organizations and cooperatives in futures trading is now new. The original legislation for Federal regulation of futures trading was closely associated with the cooperative marketing act and other agricultural legislation enacted after the World War. In the 20 years since, most of the additions to the regulatory legislation were sponsored by agricultural interests."

Road Planning

President Roosevelt told the convention of the American Automobile Association on Nov. 14 that "full and equitable" use of highway transportation facilities must be assured during the national emergency. In a letter read at the meeting held at White Sulphur Springs, W. Va., he said:

> Obviously, in times like the present there must be readjustments. But we must not surrender the benefits of our mobility and our system of highways which make it possible.
>
> While first attention must be given to road needs for defense, we must not lose sight of the demand for highway planning to meet post-emergency conditions.

SEC Rules Amended

The Securities and Exchange Commission announced on Oct. 25 the adoption of two minor amendments to its rules under the Holding Company Act regarding solicitations in connection with reorganizations or other transactions under that Act. The Commission states:

> An amendment to Rule U-62 excludes from the requirement of filing a declaration on Form U-R-1, solicitations with respect to a reorganization which is not subject to the approval of the Commission. An amendment to Rule U-61, however, makes such solicitations subject to the rules of the Commission under Section 14 (a) of the Securities Exchange Act of 1934. The amendments become effective Oct. 25, 1941.

Farm Prices Steady

Prices received by farmers for their products leveled off in the month ending Oct. 15, after rising steadily the preceding 6 months, the Department of Agriculture's Marketing Service reported on Oct. 29. At 139% of the August 1909-July 1914 average, the mid-October index was the same as a month earlier but 40 points above the average on Oct. 15 last year. The leveling off followed a 36-point rise in the index from March 15 to Sept. 15. The Department's announcement further said:

> Prices of grains, cotton and meat animals declined during the month, while prices of truck crops, fruit, dairy products, chickens and eggs, and miscellaneous products were higher than a month earlier. Some declines in prices of grains, cotton, and meat animals are usual at this season of heavy marketings. All groups of commodities were well above their respective averages of a year earlier despite the large production and heavy supplies of most farm products.
>
> Prices received by farmers held steady during the month, but farmers had to pay slightly more for commodities bought for living and farm production. The result was a three-point decline in the per unit purchasing power of farm products. At 102% of the 1910-14 level, the purchasing power index was still 21 points higher than a year earlier.
>
> Prices paid by farmers for all commodities in mid-October rose three points to 136% of the 1910-14 level, compared with 122 in October last year. Including interest and taxes, the "prices paid" index rose one point to 138 on Oct. 15. Prices of leading commodities, in terms of percentage of parity, were: corn, 73%; cotton, 97; butterfat, 101; eggs, 84; hogs, 101; and beef cattle, 128.

Mayors Favor Tax Relief

Mayors of many of New York State's cities and villages have enlisted in the campaign to amend the State Income Tax law to allow the deduction of Federal income tax payments, the Chamber of Commerce of the State of New York announces.

The Chamber, which is leading a movement to repeal this double tax feature of the State law, states:

> Upwards of 50 civic and commercial organizations throughout the State are cooperating in the movement for tax relief and Senator Thomas C. Desmond, of Newburgh, Chairman of Committee on Affairs of Cities, and Assemblyman Irwin D. Davidson, of New York, have announced that they will introduce bills for this purpose when the Legislature meets in January. Assemblyman Robert J. Crews, of Brooklyn, Chairman of the Committee on City of New York, who is Republican-Fusion candidate for Sheriff of Kings County, has also announced that he will introduce a similar measure or cause one to be introduced if he does not return to Albany.

1941 Wheat Loans

The Department of Agriculture reported on Nov. 10 that through Nov. 1, 1941, Commodity Credit Corporation made loans on 295,156,676 bushels of 1941 wheat in the amount of $292,212,598. The wheat under loan includes 78,405,505 bushels stored on farms and 216,751,171 bushels stored in public warehouses. Also included are loans on crop insurance indemnity wheat and excess quota wheat in Southwestern states not reported in previous October statements.

Coast Guard Under Navy

President Roosevelt issued on Nov. 2 an executive order directing the Coast Guard to operate as a part of the Navy. The Coast Guard has been under orders of the Secretary of the Treasury, but lately the facilities of the Coast Guard and the Navy were being coordinated. This present order completes the action which is believed to be just for the duration of the emergency.

The text of the President's order follows:

> **Executive Order**
>
> Directing the Coast Guard to operate as a part of the Navy.
>
> By virtue of the authority vested in me by Section 1 of the Act of Congress approved Jan. 28, 1915, 38 Stat. 800 U. S. C., Title 14, Sec. 1), as amended by Sections 5 and 6 of the Act of July 11, 1941, Public Law 166, Seventy-seventh Congress, first session, it is hereby directed that the Coast Guard shall from this date, until further orders, operate as a part of the Navy, subject to the orders of the Secretary of the Navy.
>
> All Coast Guard personnel operating as a part of the Navy, subject to the orders of the Secretary of the Navy, pursuant to this order, shall, while so serving, be subject to the laws enacted for the government of the Navy.
>
> Provided, That in the initiation, prosecution and completion of disciplinary action, including remission or mitigation of punishments for any offense committed by any officer or enlisted man of the Coast Guard, the jurisdiction shall depend upon and be in accordance with the laws and regulations of the department having jurisdiction of the person of such offender at the various stages of such action.
>
> Provided further, That any punishment imposed and executed in accordance with the provisions of this paragraph shall not exceed that to which the offender was liable at the time of the commission of the offense.

Washer, Ironer Output Cut

An order curtailing production of domestic washers and ironers was issued on Oct. 29 by Donald M. Nelson, Priorities Director of the Office of Production Management. The order directs manufacturers to reduce their output from last Aug. 1 through Dec. 31 by 17.3% below average monthly output in the 12 months ended June 30, last. If the program is continued for a year, it is said, the saving in steel consumption will be 32,000 tons and substantial savings in other strategic materials will also result. It is estimated that 34 companies employing about 13,000 workers are affected by the order.

The OPM Priorities Division, in another move to save strategic materials, ordered on Oct. 27 a 35% cut in steel consumption by the domestic non-mechanical ice refrigerator industry for the period between Sept. 1, 1941 and Dec. 31, 1941. The curtailment will be based on the monthly average of steel used during the 12 months ended June 30, 1941, and under tentative plans the 35% reduction will be continued through Aug. 31, 1942. Approximately 14,000 tons of steel were consumed by the industry in the year ended June 30, and it is estimated the cut will save over 5,000 tons. The program will affect 11 plants in 10 communities, employing about 3,200 workers.

N. Y. State Bankers Retirement System

The number of banks participating in the New York State Bankers Retirement System has increased during the past year from 65 to 70, and the number of bank officers and employees who are members of the System has increased from 688 to 809, according to the third annual report of F. J. Oehmichen, the System's accountant. The report was released on Nov. 7 by David C. Warner, President of the Endicott Trust Co., Endicott, N. Y., and Chairman of the System's Board of Trustees. Regarding operations, an announcement by the State Retirement System said:

> The System, a mutual pension fund chartered by the State Insurance Department, commenced operation Jan. 1, 1939. Its total assets are $366,359 compared with $262,975 a year ago, of which 83¼% is invested in bonds, preferred stocks, and mortgages, compared with 73⅛% at the time of the previous report. The general average yield on invested funds is 3.76%.
>
> Participation in the System costs member banks about 5% of payroll and the cost to the employee is 4% of his salary. The System provides a pension at age 65, a death benefit amounting to one-half the salary received while a member with a limit of one year, and the return of the employee's contributions in the event his employment is terminated.
>
> Since commencing operation in January, 1939, the System has paid five death claims totaling $7,302; and one bank employee has been retired on a pension. The aggregate amount of salaries of all employees who are members of the System is $1,601,300; and its portfolio of investments shows an appreciation of $4,800 over book value.
>
> Shortly after the System was organized by the New York State Bankers Association, banks in other States made inquiry as to the possibility of participating in it and, as a result, the Trustees amended the rules to permit participation by banks which are members of other State Bankers Association, where the System can qualify to do business. To date no banks outside of New York State have participated but banks in several States are considering it and the System's Counsel is investigating the requirements for qualifying to do business in these States.

Adrian M. Massie, Vice-President of the New York Trust Co., of New York, is Chairman of the System's Investment Committee, and W. Gordon Brown is Secretary of the Board.

Record Food Output

A forecast that United States production of food this fall and winter will be the largest on record was made on Nov. 3 by economists of the United States Department of Agriculture, which says that besides the large harvests of food crops this season, the numbers of livestock on farms for the production of meats, milk, eggs and other products are at peak figures. Supplies of feed grains for these animals total 120,000,000 tons, according to the department, which added:

> Government programs call for increased production of food in 1942. Farmers now are planning for next year's high record output of food for the U. S. and for Britain. Food consumption is rising in the United States, and Government commitments are for increased purchases of meats, canned milk, cheese, eggs and other foods for export to Britain. Prices currently and in prospect are at levels conducive to increased production by producers and processors.
>
> Prices to farmers have declined recently while costs of production have continued to rise. Farmers are paying highest wages since 1930, and the costs of other services and commodities used in farm production are higher than at this time last year. The economists—in the Bureau of Agricultural Economics—pointed out that the holding down of costs of farm production is vital to success of the Food-for-Freedom expansion program now under way.
>
> Farm production totals for 1941 include 117,000,000,000 pounds of milk and 3,700,000,000 dozen eggs. National goals for 1942 call for 125,000,000,000 pounds of milk and 4,000,000,000 dozen eggs. Although total milk production in 1942 will be the largest on record; prices of dairy products will average higher than in 1941. The economist predicted that cash farm income from poultry products will be the largest on record.
>
> The biggest slaughter supply of hogs in 15 years was forecast for 1942. It is expected that hog prices will average higher than in 1941, and that cash farm income from the sale of hogs will be the largest since 1929. A high level of consumer demand for all meats—pork, beef, veal, and lamb—is expected in 1942 since consumer buying power has risen more than the prices of meats and other foods.

Agriculture Dept. Lowers Cotton Crop Forecast

The Agricultural Department at Washington on Nov. 8 issued its report on cotton acreage, condition and production as of Nov. 1. None of the figures take any account of linters. Below is the report in full:

> A United States cotton crop of 11,020,000 bales is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon indications of Nov. 1, 1941. This is a decrease of 41,000 bales from the forecast as of Oct. 1 and compares with 12,566,000 bales ginned in 1940, 11,817,000 bales in 1939, and 13,246,000 bales, the 10-year (1930-39) average. The indicated yield per acre of 233.3 pounds is lower than the yield of 252.5 pounds in 1940 and 237.9 pounds in 1939 but higher than the 10-year (1930-39) average of 205.4 pounds.
>
> In Alabama, Mississippi, Arkansas, Louisiana, and Texas, there was too much rainfall during October and as a result prospective production was reduced by 184,000 bales. In North Carolina, Tennessee, and Missouri, however, rainfall was light and temperatures were above normal; this facilitated harvesting and increased prospective production in these States by 135,000 bales. In other States, only minor changes in prospects have occurred since Oct. 1.
>
> In Texas, Oklahoma, New Mexico, Arizona, and California, the proportion of the crop ginned to Nov. 1 is much less than average, which leaves more of the crop than usual subject to possible damage from freezes or other adverse weather conditions. On the other hand, in all States east of Oklahoma and Texas, ginning is much farther advanced than usual at this date.

Cotton Report as of Nov. 1, 1941

The Crop Reporting Board of the U. S. Department of Agriculture makes the following report from data furnished by crop correspondents, field statisticians, and cooperating State agencies. The final outturn of cotton will depend upon whether the various influences affecting the crop during the remainder of the season are more or less favorable than usual.

State—	Acreage for Harvest 1941 (Prelim.) 1,000 Acres	—Yield per Acre— Average 1930-39 lb	1940 lb	Indicated 1941 lb	Production (Ginnings)* —500-lb. gross wt. bales— Average 1930-39 1,000 Bales	1940 Crop 1,000 Bales	1941 Crop Indicated Nov. 1 1,000 Bales
Missouri	402	362	454	583	292	388	490
Virginia	34	260	370	366	33	25	26
North Carolina	783	286	427	339	629	739	555
South Carolina	1,184	265	375	162	824	966	400
Georgia	1,863	221	250	158	1,132	1,010	615
Florida	66	146	154	117	32	21	16
Tennessee	689	257	340	420	465	509	605
Alabama	1,839	216	190	206	1,145	779	790
Mississippi	2,406	246	240	288	1,585	1,250	1,445
Arkansas	2,038	236	349	341	1,281	1,501	1,450
Louisiana	1,052	237	194	146	703	456	320
Oklahoma	1,625	136	211	214	750	802	725
Texas	7,922	154	182	168	3,766	3,234	2,771
New Mexico	118	440	576	467	100	128	115
Arizona	239	401	424	437	159	195	218
California	352	538	749	619	333	545	455
All other	20	320	394	556	16	18	24
United States	22,633	205.4	252.5	233.3	13,246	12,566	11,020
†Sea Island	30.6	---	72	46	-----	4.0	2.9
†American Egyptian	127.8	236	233	269	17	33	72
‡Lower California (Old Mexico)	179	205	236	268	38	60	100

*Allowances made for interstate movement of seed cotton for ginning. †Included in State and United States totals. Sea Island grown principally in Georgia and Florida. American Egyptian grown principally in Arizona. ‡Not included in California figures, nor in U. S. total.

October Chain Store Sales At $409,353,833

According to a compilation made by Merrill Lynch, Pierce, Fenner & Beane, 28 chain store companies, including two mail order companies, reported an increase of 21.7% in sales for October, 1941, relative to those for October, 1940. Excluding the two mail order organizations, 26 other chain store companies reported an increase in sales of 21.0%.

Sales for the 28 companies showed an increase of 20.7% for the first 10 months of 1941, relative to those for the same period in 1940. Excluding the two mail order organizations, 26 other chains reported an increase in sales of 16.7%.

Peroid—	—Month of October— 1941	1940	Inc. %	—10 Months End. Oct. 31— 1941	1940	Inc. %
4 Grocery chains	$76,749,775	$62,188,150	23.4	$742,879,472	$642,257,174	15.6
11 5 & 10c. chains	93,189,023	81,348,616	14.5	793,273,398	699,632,801	13.4
6 Apparel chains	53,951,019	41,669,732	29.5	393,898,483	317,516,533	24.1
2 Drug chains	9,658,697	8,423,353	14.7	90,849,971	80,081,675	13.4
2 Shoe chains	4,577,624	3,645,083	25.6	39,567,666	32,483,303	21.8
1 Auto supply	6,834,000	5,116,000	33.6	56,638,000	42,005,000	34.8
26 Chains	$244,960,148	$202,390,934	21.0	$2,117,106,990	$1,813,976,486	16.7
2 Mail orders	164,393,685	133,856,714	22.8	1,265,675,588	988,268,176	28.1
28 Companies	$409,353,833	$336,247,648	21.7	$3,382,782,578	$2,802,244,662	20.7

Automobile Financing In Sept. Below Last Year

September figures on automobile financing, announced Nov. 17 by Director J. C. Capt, Bureau of Census, Department of Commerce, showed that the dollar volume of retail automobile financing for 400 organizations amounted to $104,078,603, a decrease of 39.8%, as compared with August, 1941, a decrease of 5.4% as compared with September, 1940 and an increase of 10.4% as compared with September, 1939. The volume of wholesale financing for September, 1941 amounted to $89,333,446, a decrease of 2.7% compared with August, 1941, a decrease of 22.2% as compared with September, 1940, and an increase of 36.8% as compared with September 1939.

The volume of retail automobile receivables outstanding at the end of September, 1941, as reported by 214 organizations amounted to $1,493,636,261. These 214 organizations accounted for 94.4% of the total volume of retail financing, $104,078,603, reported for that month by 400 organizations.

The table below presents statistics on wholesale and retail financing for 400 organizations in September; figures of automobile financing for the month of August, 1941, were published in the Oct. 30, 1941 issue of the "Chronicle," page 824.

Year and Month	Wholesale Financing Volume in Thousand Dollars	Retail Financing (400 Organizations) Total Number of Cars	Total Volume in Thousand Dollars	New Cars Number of Cars	New Cars Volume in Thousand Dollars	Used and Unclassified Cars Number of Cars	Used and Unclassified Cars Volume in Thousand Dollars
1941—							
August	91,772	381,511	172,801	110,782	83,518	270,729	89,283
September	89,333	a250,656	104,078	56,055	43,427	194,601	60,651
Total (9 mos. end. Sept.)	1,864,690	3,737,094	1,719,333	1,291,323	933,583	2,445,771	785,750
1940—							
August	42,111	334,881	137,961	104,242	71,574	230,639	66,387
September	114,873	269,077	109,961	79,046	55,796	190,031	54,165
Total (9 mos. end. Sept.)	1,467,929	3,024,823	1,275,465	1,067,765	710,552	1,957,058	564,913
1939—							
August	47,058	291,898	116,747	94,819	62,073	197,079	54,674
September	65,309	237,754	94,316	70,468	46,586	167,286	47,730
Total (9 mos. end. Sept.)	1,062,523	2,536,784	1,019,655	858,946	551,513	1,677,838	468,142

a Of this number 22.4% were new cars, 77.4% were used cars, and 0.2% unclassified.

RETAIL AUTOMOBILE RECEIVABLES OUTSTANDING END OF MONTH AS REPORTED BY 214 IDENTICAL ORGANIZATIONS

	1941 $	1940 $		1941 $	1940 $
January	1,180,906,448	876,699,079	July	1,542,871,600	1,105,275,234
February	1,208,702,083	887,096,773	August	1,560,029,489	1,116,928,055
March	1,255,229,506	918,645,709	September	1,493,636,261	1,097,627,143
April	1,340,696,165	971,940,670	October	--------	1,114,526,350
May	1,432,542,508	1,021,533,732	November	--------	1,137,469,065
June	1,499,983,244	1,063,638,452	December	--------	1,166,050,596

October Pig Iron Production At 98.2%

The Nov. 13 issue of the "Iron Age" reported that another new record was set when actual coke pig iron production for October totaled 4,856,306 net tons compared with 4,716,901 tons in September and 4,791,432 tons in August, the previous high. Output on a daily basis, however, showed a slight loss from that in September, declining from 157,230 tons to 156,655 tons a day. The operating rate for the industry was 98.2% of the new increased capacity of 159.481 net tons of coke pig iron a month, compared with 98.8% in September.

On Nov. 1 there were 214 furnaces in blast producing at the rate of 156,265 tons a day, compared with 216 in blast on Oct. 1 with a production rate of 157,165 tons. The United States Steel Corp. took one furnace off blast, independent producers put one in blast and took one off, and merchant producers blew out one furnace during October.

Bethlehem Steel Co. blew in the one furnace at Sparrows Point. The furnaces blown out or banked were one Isabella, Carnegie-Illinois Steel Corp.; one Pioneer, Republic Steel Corp., and one Palmerton, New Jersey Zinc Co.

MERCHANT IRON MADE. DAILY RATE—NET TONS

	1941	1940	1939	1938	1937
January	20,812	16,475	11,875	11,911	18,039
February	21,254	14,773	10,793	9,916	18,496
March	23 069	11,760	10,025	9,547	18,432
April	20,434	13,656	9,529	9,266	16,259
May	21,235	16,521	7,883	7,203	21,821
June	21,933	13,662	8,527	6,020	17 774
July	21 957	16,619	9,404	6,154	21,962
August	22,578	17,395	11,225	7,408	19,971
September	21,803	17,571	12,648	12,550	22,473
October	23,243	18,694	16,409	12,095	21,224
November	------	22,792	16,642	14,793	17,541
December	------	19,779	16,912	10,266	12,289

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	—Pig Iron x— 1941	1940	—Ferromanganese y— 1941	1940
January	4,063,695	4,032,022	35,337	43,240
February	4,197 872	3,311,480	33,627	38,720
March	4,704,135	3,270,499	55,460	46,260
April	4,334,267	3,137,019	56,871	43,384
May	4,599,966	3,513,683	58,578	44,973
June	4 553,165	3,818,897	53,854	44,631
Half-year	27,053,100	21,083,600	293,727	261,208
July	4,770,778	4,053,945	57,710	43,341
August	4,791,432	4,238,041	52,735	37,003
September	4,716 901	4,176,527	46,932	33,024
October	4,856,306	4,445,961	55,495	32,270
November	------	4,403,230	------	31,155
December	------	4,547,602	------	35,666
Year	------	46,948,906	------	473,667

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	—1941— Net Tons	% Capacity	—1940— Net Tons	% Capacity	1939 Net Tons
January	150,441	95.5	130.061	85.8	78.596
February	149,924	95.2	114,189	75.1	82,407
March	151 745	96.9	105,500	68.9	86,516
April	144,475	91.8	104,567	68.6	76,764
May	148,386	93.8	113,345	74.8	62,052
June	151,772	95.9	127,297	83.9	79,089
Half-year	149,465	94.5	115,844	76.1	77,486
July	153,896	97.1	130,772	86.3	85,130
August	154,562	97.5	136,711	90.4	96,096
September	157,230	99.2	139 218	92.2	107.466
October	156,655	98.2	143,419	94.8	131,061
November	------	----	146,774	97.1	138,877
December	------	----	146,697	97.2	136,146
Year	------	----	128,276	84.6	96,769

Federal Reserve October Business Indexes

The Board of Governors of the Federal Reserve System on Nov. 21 issued its monthly indexes of industrial production, factory employment and payrolls, &c. In another item in these columns today we give the Board's customary summary of business conditions. The indexes for October, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings
1923-25 average = 100 for all other series

	Adjusted for seasonal variation			Without seasonal adjustment		
	1941		1940	1941		1940
	Oct.	Sept.	Oct.	Oct.	Sept.	Oct.
Industrial production—						
Total	p164	161	130	p169	167	135
Manufactures—						
Total	p170	166	134	p174	172	138
Durable	p207	203	155	p210	206	159
Nondurable	p140	137	116	p145	145	121
Minerals	p131	131	113	p139	137	122
Construction contracts, value—						
Total	p157	161	95	p149	162	90
Residential	p96	105	85	p93	105	82
All other	p207	206	103	p195	208	97
Factory employment—						
Total	*	132.4	111.4	*	135.3	113.8
Durable goods	*	141.3	111.2	*	142.2	112.8
Nondurable goods	*	123.8	111.5	*	128.7	114.8
Factory payrolls—						
Total	---	---	---	*	163.0	116.2
Durable goods	---	---	---	*	184.0	123.4
Nondurable goods	---	---	---	*	139.5	108.1
Freight-car loadings	127	130	110	144	145	125
Department store sales, value	105	116	94	112	125	101
Department stores stocks, value	*	92	71	*	95	79

p Preliminary. * Data not yet available.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern states. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for seasonal variation			Without seasonal adjustment		
	1941		1940	1941		1940
	Oct.	Sept.	Oct.	Oct.	Sept.	Oct.
Manufactures—						
Iron and steel	191	192	172	191	192	171
Pig iron	184	185	169	184	185	169
Steel	206	207	178	206	207	176
Open hearth & Bessemer	178	179	167	178	179	165
Electric	410	405	259	410	405	257
Machinery	p233	227	149	p233	227	149
Transportation equipment	p267	245	165	p267	245	179
Aircraft	p1334	1210	552	p1334	1210	552
Automobiles	p140	133	125	p140	133	142
Bodies, parts, & assembly	p108	74	130	p108	74	142
Factory sales	p286	248	148	p286	248	141
Railroad cars	p387	371	160	p387	371	152
Locomotives	p640	556	227	p640	556	229
Shipbuilding	p184	190	149	p184	189	152
Nonferrous metals and products	p136	135	130	p136	135	138
Copper smelting	176	175	147	176	175	147
Zinc smelting	p210	225	170	p210	225	173
Copper deliveries	143	146	142	143	146	143
Zinc shipments	*	207	132	*	207	138
Tin consumption	*	166	109	*	159	108
Lumber and products	p125	137	123	p145	149	132
Lumber	p127	129	124	p136	144	132
Furniture	p150	152	122	p163	160	133
Stone, clay, and glass products	p154	156	126	p172	174	142
Polished plate glass	102	120	111	117	120	127
Textiles and products	p153	152	123	p152	151	126
Cotton consumption	161	156	126	161	156	129
Rayon deliveries	p171	168	129	p171	168	144
Silk deliveries	p163	170	132	p163	170	129
Wool textiles	p121	119	97	p122	127	98
Leather and products	*	124	93	*	123	93
Tanning	*	135	100	*	133	101
Cattle hide leathers	*	101	85	*	99	82
Calf and kip leathers	*	115	81	*	116	80
Goat and kid leathers	p119	116	100	p121	130	102
Shoes	p142	130	118	p152	159	126
Manufactured food products	101	99	104	110	114	113
Wheat flour	p138	126	127	p138	119	127
Meat packing	p146	132	118	p163	170	132
Other manufactured foods	*	144	122	*	149	127
Paper and products	158	158	123	167	167	130
Paperboard	110	107	112	110	107	112
Printing and publishing	p125	125	109	p129	124	113
Newsprint consumption	105	105	104	112	106	111
Petroleum and coal products	*	132	116	*	134	118
Petroleum refining	*	128	112	*	131	114
Gasoline	*	130	111	*	134	114
Fuel oil	*	124	115	*	125	116
Lubricating oil	*	130	109	*	130	109
Kerosene	*	119	123	*	117	123
Beehive coke	p413	425	266	p413	425	274
Chemicals	p147	146	116	p151	148	121
Rubber products	p134	131	126	p134	131	126
Rubber consumption	137	134	128	137	134	128
Minerals—						
Fuels	p129	128	109	p132	129	112
Bituminous coal	p127	139	98	p142	144	110
Anthracite	p116	127	94	p123	122	99
Crude petroleum	p131	124	115	p130	124	114
Metals	p147	147	135	p175	182	178
Iron ore	203	203	163	281	311	294
Copper	p150	154	141	p154	153	146
Lead	*	120	117	*	120	117

p Preliminary or estimated. * Data not yet available.

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

Coal	121	133	91	138	140	104
Coke	165	176	149	165	172	149
Grain	97	111	100	104	122	107
Livestock	95	84	99	146	111	152
Forest products	140	138	128	147	149	135
Ore	178	149	181	232	261	238
Miscellaneous	133	135	116	151	150	132
Merchandise, l.c.l.	97	97	96	101	102	100

Note—To convert coal and miscellaneous indexes to points in total index, multiply coal by .213 and miscellaneous by .548.

Marked Improvement Finances Of Steam Roads

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of August and for the eight months ended August, 1941 and 1940.

These figures are subject to revision and were compiled from 132 reports representing 137 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

TOTALS FOR THE UNITED STATES (ALL REGIONS)

	All Class I Railways			
	For the month of August		For the 8 months of	
	1941	1940	1941	1940
Income Items—	$	$	$	$
Net railway operating income	111,317,825	66,530,175	651,089,272	369,778,450
Other income	11,738,642	11,028,491	94,912,469	95,812,768
Total income	123,056,467	77,558,666	746,001,741	465,591,218
Miscellaneous deductions from income	2,808,332	2,579,486	22,440,746	20,500,989
Income available for fixed charges	120,248,135	74,979,180	723,560,995	445,090,229
Fixed charges:				
Rent for leased roads and equipment	14,491,115	12,403,464	106,263,769	91,282,057
Interest deductions *a*	39,079,508	39,297,743	308,947,762	315,085,000
Other deductions	119,425	118,973	950,302	1,015,181
Total fixed charges	53,690,048	51,820,180	416,161,833	407,382,238
Income after fixed charges	66,558,087	23,159,000	307,399,162	37,707,991
Contingent charges	1,057,958	1,011,047	8,430,645	8,133,580
Net income	65,500,129	22,147,953	298,968,517	29,574,411
Depreciation (way and structures and equipment)	18,279,448	17,258,858	143,688,116	136,524,897
Federal income taxes	23,904,738	6,728,541	116,065,630	33,281,839
Dividend appropriations:				
On common stock	14,642,690	14,296,228	65,801,934	64,291,665
On preferred stock	5,520,389	2,641,467	17,591,843	14,652,370
Ratio of income to fixed charges *b*	2,24	1.45	1.74	1.09

	All Class I Railways Balance at end of August		Class I Railways Not in Receivership or Trusteeship Balance at end of August	
	1941	1940	1941	1940
Selected Asset Items—	$	$	$	$
Investments in stocks, bonds, &c., other than those of affiliated companies (total, Account 707)	554,757,632	594,937,963	475,439,263	515,063,559
Cash	795,673,643	537,345,919	591,168,705	418,450,800
Temporary cash investments	133,685,534	64,087,181	124,902,950	59,374,524
Special deposits	194,496,798	89,804,844	139,340,575	71,953,100
Loans and bills receivable	1,270,125	1,368,439	1,034,361	1,104,335
Traffic and car-service balances—Dr.	33,744,229	25,943,174	31,187,589	24,629,654
Net balance receivable from agents and conductors	76,437,031	49,313,310	59,082,310	37,548,942
Miscellaneous accounts receivable	156,956,053	126,012,128	117,431,885	98,384,324
Materials and supplies	395,918,277	341,046,839	307,737,213	265,186,665
Interest and dividends receivable	14,851,580	17,787,867	12,962,801	15,346,045
Rents receivable	1,146,887	1,228,260	845,879	777,424
Other current assets	9,394,725	7,131,934	7,127,762	5,190,624
Total current assets	1,813,574,882	1,261,069,895	1,392,822,030	997,946,437
Selected Liability Items—				
Funded debt maturing within 6 months *c*	113,657,776	71,334,395	84,698,414	44,285,589
Loans and bills payable *d*	71,228,720	117,614,710	14,374,450	39,990,486
Traffic and car-service balances—Cr.	59,198,044	45,701,822	40,659,531	30,949,302
Audited accounts and wages payable	289,365,740	238,527,111	228,459,612	186,875,863
Miscellaneous accounts payable	50,850,126	58,228,743	38,732,184	47,220,360
Interest matured unpaid	26,637,943	21,889,990	22,510,035	17,129,579
Dividends matured unpaid	1,949,543	1,417,950	1,569,701	1,034,077
Unmatured interest accrued	81,676,677	85,153,737	66,435,506	66,255,489
Unmatured dividends declared	21,642,726	17,983,616	21,642,726	17,983,616
Unmatured rents accrued	23,981,046	24,294,884	21,107,538	21,238,172
Accrued tax liability	325,974,947	229,268,123	281,053,598	185,197,815
Other current liabilities	42,920,020	39,679,575	29,469,594	28,980,537
Total current liabilities	995,425,532	879,760,261	766,014,475	642,855,296
Analysis of accrued tax liability:				
U. S. Government taxes	188,745,134	85,848,688	174,973,072	77,626,624
Other than U. S. Government taxes	137,229,813	143,419,435	106,080,526	107,571,191

a Represents accruals, including the amount in default. *b* For railways in receivership and trusteeship the ratio was as follows: August, 1941, 1.63; August, 1940, 0.70; eight months 1941, 1.18; eight months 1940, 0.44. *c* Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. *d* Includes obligations which mature not more than two years after date of issue.

October Life Insurance Sales Up

The sales of ordinary life insurance in the United States in October amounted to $658,339,000, or 14% above the volume sold in October, 1940, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales for the first ten months of 1941 is reported at $5,857,865,000, which is about 7% above the same period last year.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	October, 1941		Year to Date	
	Sales Volume in $1,000	Ratios '40-'41 All Cos.	Sales Volume in $1,000	Ratios '40-'41 All Cos.
U. S. Total	$658,339	114%	$5,857,865	107%
New England	51,195	115%	468,982	111%
Middle Atlantic	181,013	114%	1,569,669	104%
East North Central	152,179	116%	1,345,538	107%
West North Central	59,526	107%	546,182	103%
South Atlantic	66,130	113%	590,618	107%
East South Central	24,845	113%	239,444	112%
West South Central	45,507	112%	431,706	106%
Mountain	16,507	110%	148,825	102%
Pacific	61,437	123%	516,901	113%

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced Nov. 19 that reports received by the bank from commercial paper dealers show a total of $377,700,000 of open market paper outstanding on Oct. 31, 1941. This amount represents an increase of 1.9% over Sept. 30, 1941, when $370,500,000 was outstanding, and an increase of 49.6% over Oct. 31, 1940, when there was $252,400,000 outstanding.

In the following table we give a compilation of the monthly figures for two years:

1941—	$	1940—	$
Oct. 31	377,700,000	Oct. 31	252,400,000
Sept. 30	370,500,000	Sept. 30	250,700,000
Aug. 30	353,900,000	Aug. 31	244,700,000
July 31	329,900,000	July 31	232,400,000
June 30	299,000,000	June 29	224,100,000
May 31	295,000,000	May 31	234,200,000
Apr. 30	274,600,000	Apr. 30	238,600,000
Mar. 31	263,300,000	Mar. 30	233,100,000
Feb. 28	240,700,000	Feb. 29	226,400,000
Jan. 31	232,400,000	Jan. 31	219,400,000
1940—		1939—	
Dec. 31	217,900,000	Dec. 30	209,900,000
Nov. 30	231,800,000	Nov. 30	214,400,000

FDR Calls For Longer Hours For Defense

In a statement issued in connection with Civilian Defense Week Nov. 11 to Nov. 16, President Roosevelt on Nov. 4 called for longer working hours "to produce the munitions required to defeat Hitler" and asked for a halt in "the waste and unnecessary use of critical materials required for defense." Appealing to every citizen, as a civilian, to do his share for defense, the President said that in this way "we shall preserve that genuine American way that distinguishes our living from the pagan slavery proposed by the would be dictators of the world." His statement read as follows:

> I have proclaimed Nov. 11 to Nov. 16 as Civilian Defense Week, and the Governors of the several States are joining me in this proclamation. The thought behind this observance is the part the civilian must play in the tremendous program required by our national defense.
>
> It is not enough that our Army and our Navy are daily growing stronger for the protection of our national life. Each and every citizen, as a civilian, must do his share for defense.
>
> In our daily lives we must halt the waste and unnecessary use of critical materials required for defense. We must work longer hours to produce the munitions required to defeat Hitler. And each of us must be trained in some task that is essential to our total defense.
>
> Civilian defense is your own personal opportunity. Join your neighbors in your town to serve your country.
>
> There is more than enough for every one to do in civilian defense. And with each of us doing his share, we shall leave no doubt in anybody's mind that we are and intend to remain strong and united. We shall preserve that genuine American way that distinguishes our living from the pagan slavery proposed by the would-be dictators of the world.

The President's Civilian Defense Week proclamation appeared in our issue of Oct. 30, page 931.

Buys High Price Copper

The Procurement Division of the Treasury Department announced on Nov. 5 that it has signed contracts to buy the entire output of three Michigan copper mining companies at prices from three to four cents above the maximum copper price for other mines.

Explaining this action Associated Press advices said:

> A Treasury statement said the purchases were made with the approval of the Office of Price Administration, which has set the 12 cent maximum price on copper and explained these contracts were intended to increase the nation's copper output by making it possible for these particular Michigan mines to operate at a profit, since this copper costs more to mine than most other copper.
>
> The Treasury agreed to pay between 15 and 16 cents a pound for all the copper to be produced in the last six months of this year by the Copper Range Co., Quincy Mining Co. and Isle Royale Copper Co. No estimate was given of how much copper these mines are expected to prouce in this time.

The OPA price ceiling of 12 cents for copper, with exemptions, went into effect Aug. 12 (see issue of Aug. 16, page 925).

October Department Store Sales 11% Above Year Ago, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on Nov. 22 that the dollar volume of October department store sales for the country as a whole was 11% larger than in the corresponding period a year ago. This compares with an increase of 24% for September and a gain of 18% for the ten months of 1941 over the same periods of 1940. These figures are based on reports received from each of the 12 Federal Reserve districts. The following tables, issued by the Board, show the percentage changes from a year ago for the country as a whole, for Federal Reserve districts and for leading cities:

DEPARTMENT STORES SALES IN OCTOBER, 1941

Report by Federal Reserve Districts

	% Change from corresponding period a year ago		
Federal Reserve District—	Oct., 1941	Sept., 1941	10 Months 1941
No. 1 (Boston)	+ 7	+26	+17
No. 2 (New York)	+ 5	+20	+14
No. 3 (Philadelphia)	+ 7	*+20	+17
No. 4 (Cleveland)	+13	+27	+21
No. 5 (Richmond)	+13	+19	+21
No. 6 (Atlanta)	+13	+21	+19
No. 7 (Chicago)	+12	+25	+17
No. 8 (St. Louis)	+20	+25	+21
No. 9 (Minneapolis)	+10	+22	+12
No. 10 (Kansas City)	+13	+26	+16
No. 11 (Dallas)	+13	+22	+19
No. 12 (San Francisco)	+18	+29	+19
U. S. total	+11	+24	+18

REPORT BY CITIES

Percentage Change from Corresponding Period a Year Ago

	Oct., 1941	Sept., 1941	10 Mos 1941
Boston District			
New Haven, Conn.	+ 8	+21	+16
Portland, Maine	+20	+32	+19
Boston, Mass.	+ 1	+27	+13
Springfield, Mass.	+12	+25	+20
Providence, R. I.	+13	+30	+19
New York District			
Bridgeport, Conn.	+16	+42	+27
Newark, N. J.	+ 5	+20	+14
Albany, N. Y.	+ 6	+17	+15
Bighamton, N. Y.	+21	+31	+24
Buffalo, N. Y.	+34	+11	+25
Elmira, N. Y.	+34	+30	+34
Niagara Falls, N. Y.	+27	*+32	+16
N. Y. and Brooklyn	0	*+20	+12
Poughkeepsie, N. Y.	+ 4	+18	+14
Rochester, N. Y.	+13	+21	+16
Syracuse, N. Y.	+15	+24	+22
Philadelphia District			
Trenton, N. J.	+ 2	*+19	+16
Lancaster, Pa.	+20	*+38	+18
Philadelphia, Pa.	+ 6	+22	+17
Reading, Pa.	+ 5	+21	+19
Wilkes-Barre, Pa.	+13	+24	+16
York, Pa.	+ 9	*+23	+16
Cleveland District			
Akron, Ohio	+13	+41	+30
Cincinnati, Ohio	+10	+20	+17
Cleveland, Ohio	+13	+33	+24
Columbus, Ohio	+15	+26	+18
Toledo, Ohio	+18	+16	+18
Youngstown, Ohio	+14	+35	+26
Erie, Pa.	+22	+34	+26
Pittsburgh, Pa.	+ 9	+23	+17
Wheeling, W. Va.	+20	+29	+24
Richmond District			
Washington, D. C.	+12	+17	+20
Baltimore, Md.	+17	+20	+21
Winston-Salem, N. C.	+10	+20	+15
Charleston, S. C.	+33	+34	+36
Lynchburg, Va.	+12	+19	+15
Norfolk, Va.	+14	+31	+39
Richmond, Va.	+ 4	+20	+15
Charleston, W. Va.	+22	+10	+24
Huntington, W. Va.	+12	+27	+21
Atlanta District			
Birmingham, Ala.	+27	+28	+23
Montgomery, Ala.	+15	+18	+15
Jacksonville, Fla.	+10	+24	+28
Tampa, Fla.	+ 7	+ 6	+21
Atlanta, Ga.	+14	+22	+18
Macon, Ga.	+17	+36	+24
Baton Rouge, La.	+ 8	+22	+16
New Orleans, La.	+ 5	+29	+17
Jackson, Miss.	+27	+26	+22
Chattanooga, Tenn.	+27	+20	+22
Knoxville, Tenn.	+13	+21	+20
Nashville, Tenn.	+14	+16	+21
Chicago District			
Chicago, Ill.	+ 8	+22	+11
Peoria, Ill.	+ 8	+22	+15
Fort Wayne, Ind.	+23	+32	+28
Indianapolis, Ind.	+20	+22	+20
Des Moines, Iowa	+12	+22	+12
Sioux City, Iowa	— 8	+37	+11
Detroit. Mich.	+11	+29	+24
Flint, Mich.	— 4	+10	+22
Grand Rapids, Mich.	+11	+25	+16
Lansing, Mich.	+ 5	+27	+26
Milwaukee, Wis.	+23	+28	+21
St. Louis District			
Fort Smith, Ark.	+26	+16	+17
Little Rock, Ark.	+26	+28	+27
Quincy, Ill.	+13	+29	+15
Evansville, Ind.	+10	+13	+14
Louisville, Ky.	+30	+33	+36
St. Louis, Mo.	+17	+24	+17
Springfield, Mo.	+ 7	+32	+36
Memphis, Tenn.	+27	+24	+21
Minneapolis District			
Duluth, Minn.-Superior, Wis.	†	†	†
Minneapolis, Minn.	†	†	†
St. Paul, Minn.	†	†	†
Kansas City District			
Denver, Colo.	+13	+30	+17
Hutchinson, Kans.	— 3	+33	+17
Topeka, Kans.	+ 3	+16	+12
Wichita, Kans.	+27	+37	+23
Kan. City., Kan. & Mo.	+13	+28	+17
Joplin, Mo.	†	+29	†
St. Joseph, Mo.	0	+14	+10
Omaha, Nebr.	+17	+30	+14
Oklahoma City, Okla.	+ 6	+23	+16
Tulsa, Okla.	+23	+21	+16
Dallas District			
Shreveport, La.	+28	+28	+20
Dallas, Tex.	+10	+27	+17
Fort Worth, Tex.	+20	+30	+20
Houston, Tex.	+12	+ 9	+15
San Antonio, Tex.	+15	+29	+25
San Francisco District			
Phoenix, Ariz.	+36	+45	+31
Bakersfield, Calif.	+10	+13	+ 7
Fresno, Calif.	+18	+22	+11
Long Beach, Calif.	+41	+34	+31
Los Angeles, Calif.	+18	+24	+18
Oakland & Berkeley	+18	+30	+14
Sacramento, Calif.	+14	+25	+13
San Diego, Calif.	+25	+33	+35
San Francisco, Calif.	+ 8	+28	+15
San Jose, Calif.	+11	+18	+ 7
Santa Rosa, Calif.	+14	+21	+12
Stockton, Calif.	+16	+22	+ 9
Vallejo & Napa, Calif.	+48	+39	+43
Boise & Nampa, Idaho	+20	+27	+12
Portland, Ore.	+27	+31	+21
Salt Lake City, Utah	+24	+29	+19
Bellingham, Wash.	+ 6	+42	+14
Everett, Wash.	+21	+28	+27
Seattle, Wash.	+26	+48	+31
Spokane, Wash.	+ 5	+33	+17
Tacoma, Wash.	+14	+40	+36
Walla Walla, Wash.	— 2	+16	+ 4
Yakima, Wash.	0	+25	+ 8

*Revised. †Not available.

Lumber Manufacturing Statistics During Five Weeks' Period Ended Nov. 1, 1941

We give herewith data on identical mills for five weeks ended Nov. 1, 1941 as reported by the National Lumber Manufacturers Association on Nov. 10.

An average of 472 mills report as follows to the National Lumber Trade Barometer for the five weeks ended Nov. 1, 1941:

	Production		Shipments		Orders	
(In 1,000 feet)	1941	1940	1941	1940	1941	1940
Softwoods	1,300,987	1,184,090	1,330,095	1,346,945	1,199,091	1,342,102
Hardwoods	54,033	60,169	65,952	62,513	56,012	59,948
Total lumber	1,335,020	1,244,259	1,396,047	1,409,458	1,255,103	1,402,050

Production during the five weeks ended Nov. 1, 1941, as reported by these mills, was 9% above that of corresponding weeks of 1940. Softwood production in 1941 was 10% above that of the same weeks of 1940 and 12% above the records of comparable mills during the same period of 1939. Hardwood output was 10% below production of the 1940 period.

Shipments during the five weeks ended Nov. 1, 1941, were 1% below those of corresponding weeks of 1940, softwoods showing a loss of 1% and hardwoods a gain of 6%.

Orders received during the five weeks ended Nov. 1, 1941 were 10% below those of corresponding weeks of 1940. Softwood orders in 1941 were 11% below those of similar period of 1940 and 6% above the same weeks of 1939. Hardwood orders showed a loss of 7% as compared with corresponding weeks of 1940.

On Nov. 1, 1941, gross stocks as reported by 392 softwood mills were 2,850,919 M feet, the equivalent of 83 days' average production (three year average 1938-39-40) as compared with 3,238,807 M feet on Nov. 2, 1940, the equivalent of 94 days' average production.

On Nov. 1, 1941 unfilled orders as reported by 390 softwood mills were 960,369 M feet, the equivalent of 28 days' average production, compared with 1,071,710 M feet, on Nov. 2, 1940, the equivalent of 32 days' average production.

Cotton Spinning In October Reaches New High

The Bureau of the Census announced Nov. 19 that according to preliminary figures 24,260,502 cotton spinning spindles were in place in the United States on Oct. 31, 1941, of which 23,043,310 were operated at some time during the month, compared with 22,963,944 for September, 23,029,066 for August, 23,028,082 for July, 22,994,980 for June, 23,004,082 for May, and 22,470,784 for October, 1940.

The aggregate number of active spindle hours reported for the month was 11,231,816,077, the greatest on record. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during October, 1941 at 125.8% capacity. This percentage compares, on the same basis with 123.7 for September, 125.3 for August, 123.0 for July, 121.5 for June, 121.7 for May, and 103.5 for October, 1940. The average number of active spindle hours per spindle in place for the month was 463.

The total number of cotton spinning spindles in place, the number active, the number of active spindle hours, and the average hours per spindle in place by States, are shown in the following statement:

	Spinning Spindles		Active Spindle Hrs. for Sept.	
State—	In place Oct. 31	Active during October	Total	Average per spindle in place
United States	24,260,502	23,043,310	11,231,816,077	463
Cotton Growing States	17,913,200	17,390,512	8,884,161,929	496
New England States	5,635,214	5,013,310	2,100,794,102	373
All other States	712,088	639,488	246,860,046	347
Alabama	1,812,572	1,793,650	928,328,844	512
Connecticut	522,840	475,448	170,354,268	326
Georgia	3,156,144	3,035,274	1,579,645,620	500
Maine	654,900	595,990	274,396,328	419
Massachusetts	3,166,686	2,834,406	1,142,293,800	361
Mississippi	152,060	132,476	65,316,544	430
New Hampshire	298,228	256,700	134,397,632	451
New York	325,660	291,846	125,705,214	386
North Carolina	5,781,560	5,629,518	2,741,685,366	474
Rhode Island	894,048	816,494	356,732,554	399
South Carolina	5,381,928	5,263,870	2,816,284,733	523
Tennessee	553,096	542,808	291,859,167	528
Texas	242,634	230,178	112,217,847	462
Virgina	636,596	597,314	283,761,708	446
All other States	681,550	547,338	208,836,452	306

Bankers' Dollar Acceptances Outstanding On October 31 Totaled $184,806,000

The volume of bankers acceptances increased $8,005,000 during October to $184,806,000 on Oct. 31, according to the monthly report of the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued Nov. 18. As compared with a year ago the Oct. 31 total is $1,983,000 below that of Oct. 31, 1940 when the acceptances outstanding amounted to $186,789,000.

The increase in the volume of acceptances outstanding from the previous month was due to advances in credits for imports, domestic shipments, domestic warehouse credits and those based on goods stored in or shipped between foreign countries, while in the year-to-year comparison only imports, domestic shipments and domestic warehouse credits were higher than last year.

The Reserve Bank's report for Oct. 31 follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Oct. 31,1941	Sept. 30, 1941	Oct. 31, 1940
1 Boston	$20,898,000	$21,005,000	$20,585,000
2 New York	115,200,000	110,842,000	128,913,000
3 Philadelphia	10,670,000	10,710,000	9,395,000
4 Cleveland	2,919,000	3,763,000	2,275,000
5 Richmond	1,152,000	217,000	876,000
6 Atlanta	1,091,000	1,208,000	1,361,000
7 Chicago	5,869,000	6,699,000	4,886,000
8 St. Louis	654,000	528,000	506,000
9 Minneapolis	142,000	151,000	973,000
10 Kansas City	------	------	------
11 Dallas	2,431,000	288,000	76,000
12 San Francisoc	23,780,000	21,390,000	16,943,000
Grand Total	$184,806,000	$176,801,000	$186,789,000

Increase for month, $8,005,000. Decrease for year, $1,983,000.

ACCORDING TO NATURE OF CREDIT

	Oct. 31, 1941	Sept. 30, 1941	Oct. 31, 1940
Imports	$108,867,000	$105,266,000	$90,576,000
Exports	12,472,000	12,919,000	19,891,000
Domestic shipments	10,939,000	9,934,000	8.987,000
Domestic warehouse credits	37,169,000	35,338,000	28.325,000
Dollar exchange	4,116,000	4,309,000	10,600,000
Based on goods stored in or shipped between foreign countries	11,243,000	9,035,000	28,410,000

BILLS HELD BY ACCEPTING BANKS

Own bills	Bills of others	Total
$90,375,000	$47,462.000	$137,837,000

Increase for month, $7,255,000

CURRENT MARKET RATES ON PRIME BANKERS' ACCEPTANCES, NOV. 18, 1941

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	½	7/16
60	½	7/16
90	½	7/16
120	9/16	½
150	⅝	9/16
180	⅝	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Jan. 31, 1939:

1939—			1940—			1941—		
Jan.	31	$255,402,175	Jan.	31	$229.230,000	Jan.	31	$212.777,000
Feb.	28	248,095,184	Feb.	29	233,015,000	Feb.	28	211,865,000
Mar.	31	245,016,075	Mar.	30	229,705,000	Mar.	31	217,312,000
Apr.	29	237,831,575	Apr.	30	223,305,000	Apr.	30	219,561,000
May	31	246,574,727	May	31	213,685,000	May	31	215,005,000
June	30	244,530,440	June	29	206,149,000	June	30	212,932,000
July	31	236,010,050	July	31	188,350,000	July	31	209,899,000
Aug.	31	235,034,177	Aug.	31	181,813,000	Aug.	30	197,472,000
Sept.	30	215,881,724	Sept.	30	176,614,000	Sept.	30	176,801,000
Oct.	31	221,115,945	Oct	31	186,789,000	Oct.	31	184,806,000
Nov.	30	222,599,000	Nov.	30	196.683.000			
Dec.	30	232,644,000	Dec.	31	208,659,000			

City Replanning Is Subject Of Conference

Threatened stoppage of much normal building during the defense period, which must inevitably create an accelerated building program throughout the country in the post-emergency era, coupled with reports from Washington of plans to establish a public works' reserve to aid cities now in blue-printing public works' projects for post-defense purposes, gave special significance to the three-day Urban Land Institute conference on principles of replanning to which the Massachusetts Institute of Technology was host, at Cambridge, Mass., Oct. 15-17. It is stated that approximately 100 city planning authorities, public officials, fiduciaries, civic leaders, home builders, property managers, property owners, realtors, and others from all parts of the country concerned with the future pattern of American cities, assembled to consider the Urban Land Institute's approach to the problems of decentralization, blight, wasted resources, urban disintegration and their remedies with emphasis on the practical, the direct, the precise and the attainable.

Presiding at the sessions were Dean Walter R. MacCornack, a U. L. I. trustee; William Stanley Parker, Chairman of the Boston Planning Board and contributor to publications of the National Resources Committee; and William H. Ballard, of Boston, U. L. I. trustee whose study of decentralization in Boston made for the Institute has created widespread interest. Regarding the discussions an announcement by the Urban Land Institute says:

> Vital points in the discussion dealt with such questions as: How can the enormous social and economic investments bound up in present business and residential areas of the cities be conserved? How can livable close-in neighborhoods for middle income workers be produced in place of those where blight and decay have wrought havoc? How can past mistakes in city planning be overcome to avoid a new march toward decay and disintegration? How can private enterprise and government effect a fruitful partnership for the large-scale rebuilding of American cities predicted as inevitable in the post-emergency period?
>
> Speakers and discussion leaders were: Gordon Whitnall, City Planning Consultant for the Urban Land Institute, former Field Consultant for the American Society of Planning Officials, Founder and First Director Manager of the City Planning Commission of Los Angeles; Arthur W. Binns, of Philadelphia, who is known for his work in rehabilitating more than 1,800 old houses in his home city as a private enterprise and who is Chairman of the Committee on Housing and Blighted Areas of the National Association of Real Estate Boards; and Charles T. Stewart, Administrative Secretary of the Urban Land Institute, former Field Consultant for the American Municipal Association and the Kentucky Municipal League, who has been closely associated with the intensive studies of urban decentralization directed by the Institute in 12 principal cities during the past year.

Walter S. Schmidt, of Cincinnati, President of the Urban Land Institute, a non-profit, independent agency organized about two years ago by business and civic leaders to assist American cities in their problems of planning, replanning, construction and reconstruction, opened the meeting with a plea for a more vigorous and realistic attack on the phenomena of an automobile age which are resulting in pronounced changes in the structure of our cities. Chief among these problems he named the undue acceleration of population flight away from city centers causing rot and decay at their cores. In part he said:

"The objectives which we must seek are the making of these centers of population into convenient, attractive, soundly organized financially and satisfactory places in which to live and do business. We must have a new approach to planning. We must make zoning constructive. We must see that the principal units of government are able to support themselves. We must take steps to make our cities more compact than they are in the sense of revitalizing dead close-in districts."

1942 Tobacco Quotas Same As For 1941

Tobacco marketing quotas for 1942 will be maintained at the 1941 levels for flue-cured, Burley, fire-cured, and dark air-cured leaf, it was announced Oct. 23 by the Department of Agriculture, which further said:

Quota proclamations and procedure for determining individual farm acreage allotments for tobacco were approved on Oct. 23 by Secretary of Agriculture Claude R. Wickard. Farmers will receive acreage allotments at the same levels as for last year's planting season, although some adjustment may be made for a small number of farms.

The decision to sustain the quotas and allotments at the 1941 levels was attributed to a stronger domestic market which has tended to relieve a war-curtailed export condition and some improvement in the export outlook, together with the Department's policy of maintaining stockpiles of exportable commodities.

The Act [of 1938] specifies that quotas become necessary when the total supply of tobacco exceeds the reserve supply.

The 1942 quota proclaimed for flue-cured tobacco by the Secretary was 618,000,000 pounds. The estimated total supply of flue-cured tobacco at the beginning of the 1941 marketing year was 2,238,000,000 pounds, with a reserve supply level of 1,863,000,000 pounds.

The 1942 quota for Burley tobacco calls for 292,000,000 pounds. The estimated total supply of Burley on Oct. 1, 1941, was 1,136,000,000 pounds and the reserve supply level was 1,030,000,000 pounds.

For fire-cured tobacco the estimated total supply is 260,000,000 pounds. The reserve supply level is 216,000,000 pounds and a quota of 67,500,000 pounds was proclaimed.

The Secretary proclaimed a quota of 27,300,000 pounds for dark air-cured tobacco. The estimated total supply on Oct. 1 was 100,000,000 pounds and the reserve supply level was 93,000,000 pounds.

Translated into acres, including adjustments required for small farms and new farms by the Agricultural Adjustment Act, the national quotas proclaimed mean: for flue-cured, 767,000 acres; Burley, 383,000 acres; fire-cured, 84,800 acres, and dark air-cured, 36,000 acres.

It is pointed out that the Farm Defense Program, which seeks through production goals to increase national output of certain vital foods such as milk, cheese and eggs, has likewise set goals for tobacco. These goals, announced last September, called for only small changes in tobacco production for 1942.

Cottonseed Receipts, Stocks Surpass Last Year

On Nov. 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the 3 months ended with October, 1941 and 1940:

COTTON SEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State	Received at mills* Aug. 1 to Oct. 31 1941	1940	Crushed Aug. 1 to Oct. 31 1941	1940	On hand at mills Oct. 31 1941	1940
	Aug. 1 to Sept. 30		Aug. 1 to Sept. 30		Sept. 30	
United States	2,409,039	2,131,122	1,196,068	1,130,993	1,343,500	1,039,636
Alabama	139,745	73,959	95,696	63,866	55,222	10,675
Arizona	27,594	25,442	17,749	16,435	10,062	9,015
Arkansas	357,981	268,423	141,613	104,003	241,298	169,975
California	33,082	104,872	21,529	21,161	18,048	86,780
Georgia	134,530	128,563	107,132	93,910	46,314	35,785
Louisiana	61,929	79,549	43,862	55,196	18,593	24,607
Mississippi	460,187	243,620	191,200	125,690	273,013	124,444
North Carolina	127,039	126,043	62,669	68,705	74,106	60,948
Oklahoma	98,285	118,687	57,889	58,178	40,928	61,017
South Carolina	60,495	99,088	38,770	71,529	24,733	28,075
Tennessee	318,711	186,310	110,384	68,253	228,995	119,183
Texas	488,326	622,397	268,324	361,225	247,196	277,584
All other States	101,135	54,169	39,251	22,842	64,992	31,548

*Does not include 130,529 and 39,507 tons on hand Aug. 1 nor 13,318 and 1,827 tons reshipped for 1941 and 1940, respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand August 1	Produced Aug. 1 to Oct. 31	Ship. out Aug. 1 to Oct. 31	On hand Oct. 31
Crude oil	1941-42	*29,708	371,816	318,441	*133,228
(thousand pounds)	1940-41	37,352	359,042	274,842	148,885
Refined oil	1941-42	†294,005	‡240,125	------	†203,544
(thousand pounds)	1940-41	493,658	215,097	------	355,118
Cake and meal	1941-42	164,444	521,936	394,565	291,815
(tons)	1940-41	79,501	504,162	453,894	129,769
Hulls	1941-42	151,439	302,739	241,040	213,138
(tons)	1940-41	20,914	282,453	198,781	104,586
Linters	1941-42	123,154	343,280	342,514	123,920
(running bales)	1940-41	129,340	286,559	238,734	177,165
Hull fiber	1941-42	1,834	10,966	10,029	2,771
(500-lb. bales)	1940-41	1,215	6,301	4,161	3,355
Grabbots, motes, &c.	1941-42	6,183	13,435	8,285	11,333
(500-lb. bales)	1940-41	12,449	10,665	11,445	11,669

*Includes 13,193,000 and 46,275,000 pounds held by refining and manufacturing establishments and 7,859,000 and 24,921,000 pounds in transit to refiners and consumers Aug. 1, 1941, and Oct. 31, 1941, respectively.

†Includes 7,268,000 and 4,308,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 4,385,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, &c., Aug. 1, 1941, and Oct. 31, 1941, respectively.

‡Produced from 255,192,000 pounds of crude oil.

EXPORTS AND IMPORTS OF COTTONSEED PRODUCTS FOR TWO MONTHS ENDING SEPT. 30

Item			9141	1940
Exports:	Oil, crude	pounds	215,344	56,200
	Oil, refined	pounds	1,355,317	2,550,016
	Cake and meal	tons of 2,000 pounds	155	197
	Linters	running bales	2,575	6,915
Imports:	Oil, crude*	pounds	none	none
	Oil, refined*	pounds	2,928,400	637,168
	Cake and meal	tons of 2,000 pounds	2,992	3,973
	Linters	bales of 500 pounds	58,040	14,176

*Amounts for October not included above are 1,695,167 pounds refined, "entered for consumption," 847,152 refined, "withdrawn from warehouse for consumption," and 2,405,884 refined, "entered for warehouse."

Exports To Great Britain In September More Than One-Third Of Total Shipments From U. S.

Foreign trade data by countries for September, released Nov. 19 by the Department of Commerce, show that exports to the United Kingdom reached the largest monthly aggregate of the war period and that shipments were made to the U.S.S.R. and South America in large volume. Although exports to Japan were negligible and those to certain British Dominions and some of the countries in Southern North America dropped below their high August levels, the value of total United States exports, at $417,000,000, was well above the average reported during the first eight months of the year and 40% higher than in September of last year. The Commerce Department's report continued:

Exports to the United Kingdom, augumented by the lend-lease shipments, rose to $143,000,000 in September, a gain of $14,000,000, or 11%, above those of August and of 30% over average exports in the first eight months of 1941. Decreases of $12,000,000, $17,000,000 and $13,000,000, respectively, in exports to Canada, the Union of South Africa, and Egypt were partly counterbalanced by the increase in shipments to the United Kingdom. The aggregate of exports to British Empire countries and Egypt, at $291,000,000, was 47% higher than exports to British Empire areas in September, 1940, although about 10% less than the high August shipments.

Exports to the Latin American area were valued at $82,000,000 in September, a figure well above the average value of shipments during the period January-August, but 7% lower than in August. Shipments to Mexico and the Republic of Panama dropped considerably under the exceptionally high values recorded in August, thus accounting for the decline for the area as a whole. Exports to most of the South American countries showed increases in September over August. These increases brought total shipments to South America to nearly $43,000,000, one of the highest monthly totals of the war period. Exports to certain countries in Europe, including Sweden, Switzerland, and especially the U.S.S.R., also increased during September. Exports to the Soviet Union reached nearly $11,000,000, more than double the monthly average for the eight preceding months of the year.

The decline in exports to Asia from $50,500,000 in August to $43,000,000 in September reflects the suspension in shipments to Japan and decreases in shipments to British India, Hong Kong, and the Philippine Islands, which were in unusually large volume during August.

The major shifts in the destinations of United States exports reflect primarily the new war-directed channels in which foreign trade of the United States has moved since the entrance of Italy into the war and the fall of France in June, 1940. The Government has increased its direction over United States export trade, until in September over 60% of the total value was in lend-lease shipments or in articles subject to licensed control.

The increase in United States exports from $3,027,000,000 in the first nine months of 1940 to $3,318,000,000 in the corresponding period of 1941 was marked by the substantial increase from 49% to 67% in the proportion of the trade sent to British Empire and Egypt, and from 18% to 19% in that sent to the American Republics including the Canal Zone, with a counterbalancing decrease from 35% to 14% in the proportion taken by other countries. Shipments to the Continent of Europe, including the U.S.S.R., declined from the substantial figure of $582,000,000 in the first nine months of 1940 to $123,000,000 in the first nine months of 1941. The value of exports to the U.S.S.R., placed at $48,000,000, in the nine months ending with September were 25% lower than in the first nine months of 1940, although shipments since July 1 have been 13% higher than in the corresponding period of last year. Exports to Japan declined from $165,000,000 in the first nine months of 1940 to $58,000,000 in the first nine months of 1941, while exports to China, valued at $62,000,000 were approximately at the same level in both periods.

Imports into the United States in September from all areas except Europe and Southern North America were substantially larger than in the corresponding month of 1940, but somewhat lower than in August. Total United States imports, valued at $263,000,000, increased by 35% as compared with September, 1940, and showed a decrease of 7% from August, 1941. Imports from Europe, including the United Kingdom, increased somewhat in September as compared with both the preceding month and the corresponding month of last year; but, since only a few Continental countries have access to our markets, the trade continued relatively small in comparison with pre-war volume.

In the import trade, the increase from $1,942,000,000 in the first nine months of 1940 to $2,417,000,000 in the first nine months of 1941 has been accompanied by the substantial increase from 24% to 30% in the proportion of the trade furnished by the American Republics and from 43% to 45% in the proportion supplied by British Empire countries. Countries in the Western Hemisphere and British Dominions in the Far East and Africa are supplying increased amounts of rubber, tin, and other metals essential to our defense effort in addition to the usual imports of tropical foodstuffs.

A counterbalancing decrease from 33% to 25% was shown by the proportion of United States imports received from other countries. The value of imports from the Continent of Europe, including the U.S.S.R., declined from $198,000,000 in the first nine months of 1940 to $109,000,000 in the first nine months of 1941, while imports from Japan dropped from $104,000,000 to $76,000,000.

Principal factors contributing to these shifts in sources of United States imports have been the British blockade against Germany and the program of the United States Government for the accumulation of reserves of strategic and critical materials. In addition, the program of economic warfare of the United States Government calls for the absorption of considerable amounts of materials formerly shipped from the American Republics to Germany and to European areas now under German control.

The following tabulation covers the month of September, the previous month, and the corresponding month of last year:

Thousands of Dollars (000 omitted)

Geographic Division and Country	Sept., 1940	Aug., 1941	Sept., 1941	Sept., 1940	Aug., 1941	Sept., 1941
Europe	113,824	114,062	162,049	15,763	18,942	22,272
Northern North America	64,533	100,855	89,167	40,508	56,484	50,890
Southern North America	25,673	45,966	38,765	14,703	32,627	33,532
South America	28,923	41,493	42,963	25,072	51,259	48,561
Asia	41,772	50,510	43,015	82,650	92,186	83,019
Oceania	6,652	14,280	11,904	3,571	16,686	13,570
Africa	14,073	58,249	29,275	12,587	14,446	10,835
Total	295,451	455,414	417,139	194,854	282,629	262,680
Argentina	6,267	9,113	9,975	3,648	13,649	14,756
Australia	4,723	10,847	8,236	1,987	13,114	12,322
Belgium	*	*	*	374	482	580
Beligian Congo	77	1,131	1,125	3,846	3,305	2,698
Bolivia	594	939	1,076	275	6,364	1,425
Brazil	6,753	10,981	11,306	7,119	9,959	10,257
British East Africa	397	709	625	649	733	156
British India	4,895	12,345	8,422	7,471	13,695	9,129
British Malaya	1,347	2,970	3,101	25,147	32,419	33,825
Canada	63,159	98,802	87,235	39,136	53,935	49,458
Ceylon	164	111	228	774	2,294	3,649
Chile	2,976	4,915	4,152	5,164	8,790	12,107
China	3,848	5,018	5,523	5,401	5,183	6,341
Colombia	3,403	5,216	5,249	2,611	1,928	1,061
Costa Rica	786	987	1,116	192	494	691
Cuba	6,217	8,430	9,935	6,260	13,043	13,438
Curacao (Netherl. West Indies)	1,215	1,603	1,262	1,536	6,227	8,395
Dominican Republic	584	605	750	240	1,000	500
Ecuador	301	815	596	477	485	266
Egypt	2,404	28,214	15,124	306	215	828
El Salvador	318	629	325	73	616	307
Finland	1,398	8	----	139	----	*
France	72	6	*	269	63	439
French Indo-China	142	150	9	1,993	28	30
Germany, Czecho-Slovakia and Poland	----	----	----	231	60	94
Gold Coast	101	15	774	1,624	1,537	146
Greece	497	106	1	93	161	348
Guatemala	663	998	701	430	527	404
Haiti	360	470	365	396	611	370
Honduras	498	708	668	731	1,012	754
Hong Kong	644	3,789	1,861	201	246	256
Iran (Persia)	197	24	123	483	301	544
Iraq	189	182	136	118	262	13
Ireland	378	260	321	306	243	196
Italy	90	2	----	116	14	13
Japan	17,778	1,662	*	11,125	573	2,535
Kwantung	381	2	13	209	----	----
Mexico	7,697	14,304	12,330	3,843	7,702	7,311
Netherlands	----	*	----	67	25	49
Netherlands Indies	4,207	10,104	12,350	23,272	27,967	14,862
Newfoundland and Labrador	1,150	1,841	1,790	1,310	2,168	1,014
New Zealand	1,810	3,179	3,636	1,374	2,893	734
Nicaragua	429	849	755	154	124	67
Norway	3	*	----	33	7	----
Panama, Republic of	1,207	7,341	2,409	289	244	235
Panama Canal Zone	3,776	6,253	5,441	81	33	32
Paraguay	62	70	71	117	197	378
Peru	1,708	2,468	2,477	1,761	2,687	2,287
Philippine Islands	4,814	11,551	6,776	5,515	6,922	8,514
Portugal	1,044	1,390	1,465	909	953	1,369
Spain	724	1,994	805	1,209	660	1,562
Sweden	1,187	201	2,364	127	495	789
Switzerland	75	978	2,195	2,275	1,382	2,108
Thailand (Siam)	1,509	716	695	177	78	114
Trinidad and Tobago	775	923	842	96	142	460
Turkey	545	204	69	144	438	931
Union of South Africa	9,924	26,942	9,958	4,045	6,814	4,827
Union of Soviet Soc. Republics	4,671	9,038	10,951	124	1,449	2,932
United Kingdom	103,645	129,453	143,229	9,263	12,540	11,170
Uruguay	623	1,492	1,665	631	2,673	1,675
Venezuela	5,916	4,980	5,777	2,896	3,895	3,723

*Less than 500.

Sugar Entries Against Quotas Above Last Year

The U. S. Department of Agriculture issued on Nov. 16 its tenth monthly report on the status of the 1941 sugar quotas for the various offshore sugar-producing areas supplying the United States market. The report, prepared by the Sugar Division of the Agricultural Adjustment Administration, shows that the quantity of sugar charged against the quotas for all offshore areas, including the full-duty countries, amounted to 5,009,815 short tons raw value, during the first ten months of the year, as compared with 3,875,298 tons in the corresponding period of 1940. The Agriculture Department further reported:

> The report includes sugar from all areas recorded as entered or certified for entry before Nov. 1, 1941. The figures are subject to change after final outturn weight and polarization data for all entries are available.
>
> There were 144,859 short tons of sugar, raw value, charged against the quota for the mainland cane area, and 1,540,709 short tons, raw value, against the quota for the continental sugar beet area, during the period January-September this year. Data for these two areas are not yet available for October.
>
> The quantities charged against the quotas for the offshore areas during the first ten months of the year and the balances remaining are as follows:

(Short Tons, 96 Degree Equivalent)

Area—	—1941 Sugar Quota—		Quantity Charged Against Quota	Balance Remaining
Cuba		2,887,429	2,241,749	*645,680
Philippines	1,387,383			
Less amount reallotted	404,720	982,663	822,197	†
Puerto Rico	1,148,160			
Less amount reallotted	136,968	1,011,192	967,859	43,333
Hawaii	1,263,700			
Less amount reallotted	270,178	993,522	791,823	201,699
Virgin Islands		12,829	4,605	†
Foreign countries other than Cuba		440,304	181,582	†
Total		6,327,939	5,009,815	†

*Of which approximately 136,000 tons were in U. S. Customs' custody. †The quantity available for entry during the remainder of the year is expected to be less than the quota balance.

DIRECT-CONSUMPTION SUGAR

Direct-Consumption Sugar Is Included in the Above Amounts Charged Against the Various Quotas

(Short Tons, 96 Degree Equivalent)

Area—	1941 Quota	—Quantity Charged Against Quota— Sugar Polarizing 99.8 Degrees and Above	Sugar Polarizing less than 99.8 Degrees	Total Charge	Balance Remaining
Cuba	375,000	355,940	19,060	375,000	0
Puerto Rico	126,033	112,190	13,843	126,033	0
Hawaii	29,616	4,012	2,274	6,286	23,330
Philippines	80,214	53,534	551	54,085	26,129
Total	610,863	525,676	35,728	561,404	49,459

QUOTAS FOR FULL-DUTY COUNTRIES

Area—	1941 Quota (in pounds)	Quantity Charged Against Quota * (in pounds)	Balance Remaining (in pounds)
Canada	7,279,181	592,766	6,686,415
China and Hongkong	3,862,673	275,594	3,407,079
Dominican Republic	180,909,920	130,919,262	49,990,658
Dutch East Indies	2,505,181	85,405	2,419,776
Haiti	25,002,562	13,595,886	11,406,676
Mexico	72,004,758	716,291	71,288,467
Peru	301,515,638	216,977,931	84,537,707
Quotas not used to date†	280,356,333	-------	280,356,333
Unallotted reserve	7,351,754	0	7,351,754
Total	880,608,000	363,163,135	517,444,865
Tons	440,304	181,582	258,722

*In accordance with Section 212 of the Sugar Act of 1937, the first 10 short tons of sugar, raw value, imported from any foreign country other than Cuba have not been charged against the quota for that country. †This total includes the following (in pounds): Argentina, 172,756; Costa Rica, 244,105; Guatemala, 3,969,033; Honduras, 40,680,533; Nicaragua, 121,132,598; Salvador, 97,282,227; United Kingdom, 4,155,876; Venezuela, 3,436,912; other countries, 9,282,293.

Three hundred and thirteen Pounds have been imported from various countries, but under the provisions of Section 212 of the Sugar Act, referred to in Footnote *, these importations have not been charged against the quota.

Labor Bureau's Wholesale Price Index Advances 0.7% In Week Ended Nov. 15

The Bureau of Labor Statistics' index of wholesale prices of approximately 900 price series rose 0.7% during the week ended Nov. 15, to a new high, Acting Commissioner Hinrichs reported on Nov. 19. At 92.3% of the 1926 average the index is 0.7% above a month ago and more thann 16% above a year ago.

The Labor Bureau's announcement goes on to explain:

> With higher prices reported for most agricultural commodities, the farm products group index rose 1.2%. Sharp increases occurred in prices for barley, cotton, eggs, tobacco, hay, seeds, fruits and vegetables, and for live poultry in the New York market. Grains declined 0.2% because of lower prices for corn and wheat. Livestock and poultry prices fell 1.1% as lower prices were reported for cattle, hogs, lambs, and live poultry at Chicago.
>
> Average wholesale prices for foods advanced 0.9% led by increases of 1.8% for fruits and vegetables, 1.4% for cereal products, and 0.9% for dairy products. Prices were higher for butter, flour, rice, for most dried and fresh fruits, and for lard and cottonseed oil. Cattle feed advanced 3.8% during the week. Meats declined 0.9% as a result of weakening prices for lamb, mutton and fresh pork.
>
> The advance in the cotton market brought prices for most cotton fabrics and yarns to higher levels under the sliding scale ceiling imposed by OPA. Jute carpet yarns and cotton twine prices also averaged somewhat higher. Prices were substantially higher for both furniture and furnishings, and the index for housefurnishing goods rose 1.5% to the highest level since late in 1925.
>
> Advancing prices for certain types of farm machinery, passenger automobiles, and building hardware were responsible for an increase of 1.2% in the metals and metal products group index. In the building materials group, lower prices for lumber—particularly yellow pine boards, dimension, finish and timbers—for red cedar shingles, oak flooring and boards, and for linseed oil and turpentine were offset by higher prices for brick, cement, plaster, rosin, and for gum lumber and yellow pine drop siding, flooring and lath, with the result that the building materials group index remained unchanged at last week's level.
>
> Average wholesale prices for chemicals and allied products dropped 0.3% largely because of a ceiling order on glycerine by OPA at prices considerably below the prevailing market level. Lower prices for copra and inedible tallow caused the index for industrial fats and oils to drop 1%.
>
> Prices for fuel and lighting materials averaged slightly lower during the week because of declining prices for fuel oil and gasoline. Bituminous coal and anthracite advanced fractionally.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 18, 1941 and Nov. 16, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Nov. 8 to Nov. 15, 1941.

(1926 = 100)

						Percentage changes to Nov. 15, 1941 from—		
Commodity Groups	11-15 1941	11-8 1941	11-1 1941	10-18 1941	11-16 1940	11-8 1941	10-18 1941	11-16 1940
All Commodities	92.3	91.7	91.6	91.7	79.3	+0.7	+0.7	+16.4
Farm products	90.7	89.6	89.5	89.8	68.4	+1.2	+1.0	+32.6
Foods	89.6	88.8	88.2	88.4	72.6	+0.9	+1.4	+23.4
Hides and leather products	114.1	114.1	114.1	113.2	103.0	0.0	+0.8	+10.8
Textile products	90.5	90.4	90.3	90.2	74.0	+0.1	+0.3	+22.3
Fuel and lighting materials	79.6	79.7	79.9	80.0	72.6	—0.1	—0.5	+ 9.6
Metals and metal products	103.4	102.2	102.2	102.2	97.5	+1.2	+1.2	+ 6.1
Building materials	107.1	107.1	107.3	106.9	98.3	0.0	+0.2	+ 9.0
Chemicals and allied products	89.5	89.8	89.8	89.7	77.4	—0.3	—0.2	+15.6
Housefurnishing goods	101.6	100.1	100.0	99.9	90.1	+1.5	+1.7	+12.8
Miscellaneous commodities	87.2	85.9	85.5	85.6	77.6	+1.5	+1.9	+12.4
Raw materials	89.9	89.2	89.1	89.2	72.5	+0.8	+0.8	+24.0
Semi-manufactured articles	89.6	89.5	89.7	89.7	80.4	+0.1	—0.1	+11.4
Manufactured products	94.1	93.5	93.4	93.5	82.8	+0.6	+0.6	+13.6
All commodities other than farm products	92.7	92.2	92.1	92.2	81.8	+0.5	+0.5	+13.3
All commodities other than farm products and foods	93.6	93.1	93.1	93.1	84.1	+0.5	+0.5	+11.3

Percentage Changes in Subgroup Indexes from Nov. 8 to Nov. 15, 1941

Increases

Tires and tubes	6.0	Other building materials	0.8
Cattle feed	3.8	Bituminous coal	0.6
Other farm products	2.9	Agricultural implements	0.4
Motor vehicles	2.6	Anthracite	0.4
Furniture	2.5	Cotton goods	0.4
Other foods	1.9	Other textile products	0.3
Fruits & vegetables	1.8	Cement	0.3
Cereal products	1.4	Hosiery and underwear	0.2
Dairy products	0.9	Iron and steel	0.2
Furnishings	0.8	Brick and tile	0.1
Leather	0.1		

Decreases

Livestock and poultry	1.1	Drugs & pharmaceuticals	0.6
Oils and fats	1.0	Grains	0.2
Meats	0.9	Chemicals	0.2
Lumber	0.9	Paint and paint materials	0.2
Petroleum products	0.8		

Cotton Ginnings Continue About 12% Below '40

The Census Bureau report issued Nov. 21 compiled from the individual returns of the ginners, show 8,808,361 running bales of cotton (counting round as half bales and excluding linters) ginned from the crop of 1941 prior to Nov. 14, compared with 10,069,167 bales from the crop of 1940 at that date last year and 10,682,457 bales two years ago. Below is the report in full:

REPORT ON COTTON GINNING

Number of bales of cotton ginned from the growth of 1941 prior to Nov. 14, 1941, and comparative statistics to the corresponding date in 1940 and 1939.

RUNNING BALES

(Counting round as half bales and excluding linters)

STATE	1941	1940	1939
United States	*8,808,361	10,069,167	10,682,457
Alabama	754,883	641,236	746,795
Arizona	89,247	82,942	95,632
Arkansas	1,253,629	1,130,483	1,282,278
California	169,818	387,777	316,921
Florida	14,089	17,593	9,562
Georgia	609,540	906,896	883,593
Illinois	4,932	2,349	3,537
Kentucky	15,382	7,605	11,253
Louisiana	304,940	426,517	714,086
Mississippi	1,345,877	990,643	1,500,208
Missouri	427,998	267,235	383,747
New Mexico	46,585	72,648	70,143
North Carolina	527,533	626,322	428,790
Oklahoma	459,905	569,250	466,106
South Carolina	384,035	867,642	832,658
Tennessee	537,766	328,713	384,601
Texas	1,841,907	2,727,051	2,544,264
Virginia	20,295	16,265	8,283

*Includes 1,969 bales of the crop of 1941 ginned prior to Aug. 1 which was counted in the supply for the season of 1940-41, compared with 32,187 and 137,254 bales of the crops of 1940 and 1939.

The statistics in this report include 783 round bales for 1941; 3,274 for 1940 and 156,896 for 1939. Included in the above are 27,152 bales of American-Egyptian for 1941; 17,559 for 1940; and 15,308 for 1939; also 2,445 bales Sea-Island for 1941; 3,811 for 1940 and 1,869 for 1939.

The statistics for 1941 are subject to revision when checked against the individual reports being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 1, is 7,964,203 bales.

Consumption, Stocks, Imports, and Exports — United States

Cotton consumed during the month of October, 1941, amounted to 953,600 bales. Cotton on hand in consuming establishments on Oct. 31, was 1,993,293 bales, and in public storages and at compresses 13,342,123 bales. The number of active consuming cotton spindles for the month was 23,043,310. The total imports for the month of Oct. 1941, were 40,696 bales and the exports of domestic cotton, excluding linters, were 161,668 bales.

World Statistics

The world's production of commercial cotton, exclusive of linters, grown in 1939 as compiled from various sources was 27,875,000 bales, counting American in running bales and foreign in bales of 478 pounds lint, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

Daniels Resigns As Mexican Ambassador

President Roosevelt announced on Oct. 31 the resignation of Josephus Daniels as United States Ambassador to Mexico. The President, in announcing the retirement at his press conference, said he had accepted the resignation very reluctantly and praised Mr. Daniels as having "exemplified the true spirit of the Good Neighbor in the foreign field." Mr. Daniels, who has served in the Mexican post since 1933, gave his wife's ill health as his reason for resigning. He said in his letter of resignation that his constant aim had been to "truly interpret the friendship of our country" to Mexico and that the relations between the two countries "are on the most sincerely friendly basis in their history and that both are firmly united to prevent any infiltration of alien isms or forces on this hemisphere from any quarter." In his reply, Mr. Roosevelt said it had come to him as a "real shock" that the country will have to do without the services of its Ambassador to Mexico, and added:

> That you have succeeded so completely is the testimony that in a position which, as we all know, was difficult when you first assumed it, our relations with our southern neighbor have, largely because of you, become relations of understanding and real friendship. I know that you will miss your colleagues and friends in Mexico City and I think you can realize my own feelings in not having my old Chief as an intimate part of the Administration.
>
> However, what must be, must be. I can only hope that your good wife's health will improve in her own home in Raleigh.
>
> I think that it is right that you should make a short trip to Mexico City in order to take farewell of all your friends there, and to present my very warm personal regards to President Camacho and to his Secretary of State for Foreign Affairs.
>
> I hope, therefore, that it will be agreeable if I do not accept your resignation until you have returned from a short visit to Mexico and completed such leave as may be due you.

Mr. Roosevelt's reference to Mr. Daniels as "Chief" dates back to World War days when the President was Assistant Secretary of the Navy and the Ambassador was Secretary. Secretary of State Cordell Hull said that the resignation had been one of deep regret and that no decision on a successor has yet been reached.

Mr. Daniels left Mexico City for the United States on Nov. 9, following a farewell dinner tendered to him on Nov. 7 by the American colony at Mexico City. With his arrival in Washington, Mr. Daniels on Nov. 18 presented to President Roosevelt a personal message from President Manuel Avila Camacho.

Says We Will Never Accept "New Order"

President Roosevelt on Nov. 3 expressed the belief that the so-called "new order" of the world would never be accepted in this country and he indicated it as his hope that the rest of the world won't be forced into it, because then this country would become "a little oasis where all the old things were still going on but were being pressed in on all sides by the so-called 'new order' world." The President made these remarks in an informal talk before a teachers' conference at the Roosevelt High School at Hyde Park, N. Y. In commenting on the consolidation of the school system in the town of Hyde Park and the north part of Poughkeepsie, Mr. Roosevelt said that it took a long time, adding that "things in a democracy do take a long time and it is a mighty good thing that they do." He further stated, in part:

> And I think that this town, for example, is a lot better off for having talked about whether it wanted a consolidated school district in place of nine, or 11, or 14 little school districts. I think it is better we talked about that for 10 or 15 years than if we had belonged to the kind of society where somebody way up on top—some dictator—had said to the Town of Hyde Park 15 years ago, "You have got to have one."
>
> It is a pretty good illustration of the difference between the kind of government, kind of social set-up, that we have been accustomed to for several hundred years and this new thing that is called a "new order" for the world, something in which the people themselves—fathers and the mothers and the children for that matter—have nothing to say. Somebody up to top proclaims himself wiser than the aggregate of what we call public opinion.

Market Transactions In Govts. For Oct.

Market transactions in Government securities for Treasury investment accounts in October, 1941, resulted in net sales of $200,000, Secretary Morgenthau announced on Nov. 17. This compares with net sales of $2,500 in September.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1939—		
November	$2,844,350	sold
December	3,157,000	sold
1940—		
January	$9,475,000	sold
February	20,801,000	sold
March	5,700,000	sold
April	1,636,100	sold
May	387,200	purchased
June	934,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$300,000	sild
October	4,400,000	sold
November	284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold

Scrap Metal From Farms

The Department of Agriculture announced on Nov. 3 that farmers throughout the country will be asked to sell their scrap metal for use in defense production. Secretary of Agriculture Claude R. Wickard has requested U. S. Department of Agriculture Defense Boards in each State to make plans for their States immediately and enlist the county defense boards in the effort.

Mr. Wickard pointed out that the Office of Production Management has been putting on a drive to increase the flow of scrap metal from the cities. OPM has now requested the aid of the Department of Agriculture in increasing the flow of scrap from the farms. According to Mr. Wickard "the National Defense Program is seriously threatened by actual and impending shortages of iron and steel scrap." "In addition," he said, "civilian shortages of steel, including metal for farm implements and parts needed by farmers, will be more severe if steel mills cannot be kept running at capacity. Farms have long been one of the most important sources of scrap metal. Therefore, it is a patriotic duty to see that the scrap be made available for use."

Revenue Freight Car Loadings During Week Ended Nov. 15 Amounted To 883,839 Cars

Loading of revenue freight for the week ended Nov. 15, totaled 883,839 cars, the Association of American Railroads announced on Nov. 21. The increase above the corresponding week in 1940 was 138,544 cars or 18.6%, and above the same week in 1939 was 116,852 cars or 15.2%.

Loading of revenue freight for the week of Nov. 15 increased 10,254 cars or 1.2% above the preceding week.

Miscellaneous freight loading totaled 389,243 cars, an increase of 6,327 cars above the preceding week, and an increase of 76,129 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 156,278 cars, a decrease of 2,688 cars below the preceding week, but an increase of 6,005 cars above the corresponding week in 1940.

Coal loading amounted to 168,274 cars, an increase of 3,706 cars above the preceding week, and an increase of 19,821 cars above the corresponding week in 1940.

Grain and grain products loading totaled 40,297 cars, an increase of 4,765 care above the preceding week, and an increase of 10,298 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 15 totaled 25,828 cars, an increase of 3,181 cars above the preceding week, and an increase of 8,961 cars above the corresponding week in 1940.

Live stock loading amounted to 15,741 cars, a decrease of 3,025 cars below the preceding week, and a decrease of 2,110 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Nov. 15 totaled 11,937 cars, a decrease of 3,304 cars below the preceding week, and a decrease of 1,906 cars below the corresponding week in 1940.

Forest products loading totaled 43,267 cars, an increase of 812 cars above the preceding week, and an increase of 7,453 cars above the corresponding week in 1940.

Ore loading amounted to 57,934 cars, an increase of 989 cars above the preceding week and an increase of 19,990 cars above the corresponding week in 1940.

Coke loading amounted to 12,805 cars, a decrease of 632 cars below the preceding week, but an increase of 958 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	3,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3,387,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
4 Weeks of October	3,657,882	3,269,476	3,355,701
Week of Nov. 1	894,739	794,797	801,108
Week of Nov. 8	873,585	778,318	781,588
Week of Nov. 15	883,839	745,295	766,987
Total	37,573,529	32,177,926	29,991,328

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 15, 1941. During this period 113 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED NOV. 15

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	682	615	637	1,510	1,163
Bangor & Aroostook	1,420	1,121	1,328	200	171
Boston & Maine	8,265	6,508	8,285	13,180	10,818
Chicago, Indianapolis & Louisville	1,574	1,478	1,613	2,277	2,067
Central Indiana	31	11	25	56	52
Central Vermont	1,379	1,226	1,527	2,470	2,064
Delaware & Hudson	6,005	5,064	5,245	10,551	8,128
Delaware, Lackawanna & Western	9,031	8,550	9,735	8,731	7,546
Detroit & Mackinac	492	528	581	153	110
Detroit, Toledo & Ironton	2,585	2,775	2,784	1,397	1,205
Detroit & Toledo Shore Line	437	472	349	3,946	2,992
Erie	15,194	13,407	13,235	15,128	13,172
Grand Trunk Western	6,463	6,157	4,924	9,350	7,509
Lehigh & Hudson River	245	197	177	2,558	2,184
Lehigh & New England	1,906	1,367	1,620	1,562	1,295
Lehigh Valley	8,985	9,184	9,018	9,434	7,699
Maine Central	3,029	2,201	2,790	2,882	2,188
Monongahela	6,391	4,745	5,660	353	222
Montour	2,434	1,832	2,246	40	65
New York Central Lines	53,124	44,405	43,655	50,416	42,534
N. Y., N. H. & Hartford	12,243	10,074	10,597	15,857	13,299
New York, Ontario & Western	1,109	1,068	1,122	2,199	1,806
N. Y., Chicago & St. Louis	6,554	5,780	6,054	14,114	10,772
N. Y., Susquehanna & Western	526	395	514	1,517	1,569
Pittsburgh & Lake Erie	8.617	7.612	8,119	8,307	6 677
Pere Marquette	7,002	6,398	6,373	6,470	5,241
Pittsburgh & Shawmut	668	460	746	33	32
Pittsburgh, Shawmut & North	421	495	443	410	241
Pittsburgh & West Virginia	1,172	754	1,206	2,673	1,868
Rutland	572	583	678	1,083	930
Wabash	6,057	5,475	5,738	10,865	9,591
Wheeling & Lake Erie	5,237	3,680	4,671	4,529	3,414
Total	179,850	154,617	161,695	204,251	168,624
Allegheny District—					
Akron, Canton & Youngstown	702	655	439	1,095	966
Baltimore & Ohio	41,136	34,575	35,613	22,798	18,401
Bessemer & Lake Erie	5,351	5,091	6,376	2,280	2,293
Buffalo Creek & Gauley	*268	263	318	1	6
Cambria & Indiana	1,898	1,604	1,671	16	13
Central R.R. of New Jersey	7,500	6,739	7,055	15,406	12,374
Cornwall	677	622	592	58	48
Cumberland & Pennsylvania	291	246	319	12	34
Ligonier Valley	120	142	142	63	30
Long Island	875	949	726	2,646	2,587
Penn-Reading Seashore Lines	1,774	1,386	1,497	2,005	1,476
Pennsylvania System	86.289	69.226	74,918	56,871	45,553
Reading Co.	16.320	14,825	13,910	23,023	19,107
Union (Pittsburgh)	20,079	18,895	18,978	5,791	4,774
Western Maryland	4,194	3,631	4,100	9,193	7,076
Total	187,474	158,849	166,654	141,258	114,738
Pocahontas District—					
Chesapeake & Ohio	29,379	24,281	26,884	14,171	11,635
Norfolk & Western	24,390	20,379	21,658	6,498	4,991
Virginian	4,621	4,631	4,361	1,986	1,193
Total	58,390	49,291	52,903	22,655	17,819
Southern District—					
Alabama, Tennessee & Northern	382	266	259	215	153
Atl. & W. P.—W. R.R. of Ala.	901	746	748	2,114	1,550
Atlanta, Birmingham & Coast	852	633	584	1,199	986
Atlantic Coast Line	11,386	10,002	9,890	6,984	5.927
Central of Georgia	4,777	3,653	3,955	4,410	3,276
Charleston & Western Carolina	460	396	432	1,677	1,264
Clinchfield	1,812	1,479	1,486	2,835	2,128
Columbus & Greenville	380	314	362	310	266
Durham & Southern	169	143	165	490	408
Florida East Coast	633	832	799	992	1,066
Gainsville Midland	37	31	34	94	101
Georgia	1,352	913	1,034	2,520	1,876
Georgia & Florida	524	389	381	903	568
Gulf, Mobile & Ohio	4,213	3,574	3,486	3,419	2,839
Illinois Central System	28,800	23,649	22,270	14,171	12,108
Louisville & Nashville	27,456	23,109	22,687	8,503	6,238
Macon, Dublin & Savannah	208	130	183	691	624
Mississippi Central	160	167	163	378	434
Nashville, Chattanooga & St. L.	3,575	3,396	2,764	3,626	3,042
Norfolk Southern	1,120	1,012	1,283	1,311	972
Piedmont Northern	568	432	373	1,728	1,154
Richmond Fred. & Potomac	430	350	389	6,119	4,874
Seaboard Air Line	10,614	9,440	9,488	7,226	5,293
Southern System	25,056	22,633	21,820	21,133	16,358
Tennessee Central	565	420	417	783	748
Winston-Salem Southbound	154	193	167	839	790
Total	126,524	108,302	105,619	94,670	75,043
Northwestern District—					
Chicago & North Western	21,178	16,733	17,149	13,429	10,225
Chicago Great Western	2,619	2,256	2,504	3,749	2,810
Chicago, Milw., St. P. & Pac.	23,336	20,012	20,302	9,167	7,660
Chicago, St. P., Minn. & Omaha	4,205	3,416	4,133	4,590	3,371
Duluth, Missabe & Iron Range	20,593	9,705	13,531	257	140
Duluth, South Shore & Atlantic	1,272	496	919	626	419
Elgin, Joliet & Eastern	10,598	8,642	9,018	9,215	7,166
Ft. Dodge, Des Moines & South	544	293	442	150	110
Great Northern	19,553	13,330	15,092	4,030	3,045
Green Bay & Western	691	577	632	746	576
Lake Superior & Ishpeming	2,815	2,586	4,387	91	70
Minneapolis & St. Louis	1,828	1.438	1,908	2,684	1,780
Minn., St. Paul & S. S. M.	8,021	5,837	5.676	3,062	2,345
Northern Pacific	13,223	10,974	10,571	4,397	3,607
Spokane International	*169	117	216	333	251
Spokane, Portland & Seattle	2,367	2,017	1,947	2,177	1,664
Total	133,012	98.429	108,427	58,703	45,239
Central Western District—					
Atch. Top. & Santa Fe System	23,587	21,826	22,768	8,732	7.037
Alton	3,366	2,978	3,106	2,984	2,152
Bingham & Garfield	921	468	433	126	90
Chicago, Burlington & Quincy	19,812	17,955	17,321	11,379	8,787
Chicago & Illinois Midland	2,693	2,615	2,101	768	683
Chicago, Rock Island & Pacific	13.228	11,122	12.019	10.873	8,869
Chicago & Eastern Illinois	2,918	2,814	2,680	3,176	2,644
Colorado & Southern	1,425	1,240	1,209	1,693	1,546
Denver & Rio Grande Western	4,523	4,709	4,173	4,271	2,943
Denver & Salt Lake	786	996	611	18	14
Fort Worth & Denver City	1,491	1,160	1,163	1,278	1,134
Illinois Terminal	2,022	1,724	1,976	1,642	1,457
Missouri-Illinois	1,111	887	1,029	483	398
Nevada Northern	2,042	1,825	1,167	126	108
North Western Pacific	1,170	726	766	397	369
Peoria & Pekin Union	22	17	23	0	0
Southern Pacific (Pacific)	29,258	26,664	25,710	7,650	6,638
Toledo, Peoria & Western	377	325	311	1,693	1,202
Union Pacific System	20,616	18,083	18,468	12,484	10,299
Utah	437	572	561	3	7
Western Pacific	3,044	2,017	1,954	3,083	2,315
Total	134,849	120,723	119,549	72,859	58,692
Southwestern District—					
Burlington-Rock Island	194	182	152	225	288
Gulf Coast Lines	3,916	3,045	2,925	1,930	1,393
International-Great Northern	1,897	1,877	1,769	2,522	2,142
Kansas, Oklahoma & Gulf	180	217	245	1,096	1,023
Kansas City Southern	2,870	2,445	1,932	2,766	1,993
Louisiana & Arkansas	2,775	2,001	2,159	2,031	1,594
Litchfield & Madison	321	340	362	1,057	902
Midland Valley	705	719	591	319	198
Missouri & Arkansas	212	211	261	388	342
Missouri-Kansas-Texas Lines	4.963	4,216	4,109	3,919	2,824
Missouri Pacific	17,790	15,196	14,477	12,417	10,199
Quanah Acme & Pacific	179	170	121	162	128
St. Louis-San Francisco	9,898	8,662	7,991	6,078	4,587
St. Louis Southwestern	3,149	2,932	2,651	3,942	2,697
Texas & New Orleans	8,835	7,458	6,964	4,226	3,151
Texas & Pacific	5,650	5,251	5,225	5,410	3,821
Wichita Falls & Southern	166	149	184	65	43
Weatherford M. W. & N. W.	40	13	22	27	29
Total	63,740	55,084	52,140	48,580	37,354

Note—Previous year's figures revised. * Previous figures.

Liquidation Of Insolvent National Banks

During the month of October, 1941, the liquidation of eight insolvent National Banks was completed and the affairs of such receiverships finally closed, according to an announcement issued Nov. 15 by Preston Delano, Comptroller of the Currency. Total disbursements, including offsets allowed, to depositors and other creditors of these eight receiverships, amounted to $20,086,222, while dividends paid to unsecured creditors amounted to an average of 69.07% of their claims. Total costs of liquidation of these receiverships averaged 6.12% of total collections from all sources including offsets allowed. Dividend distributions to all creditors of all active receiverships during the month of October, amounted to $878,318. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED DURING THE MONTH OF OCTOBER, 1941

Name and Location of Bank—	Date of Failure	Total Disbursements Including Offsets Allowed	Per Cent Dividends Declared to All Claimants	Capital Stock at Date of Failure
The Prudential Bank, Washington, D. C.*	3-17-36	$22,169	None	$100,000
Inland-Irving National Bank, Chicago, Ill.	6-9-31	3,784,995	60.66	525,000
First-Henry National Bank, Henry, Ill.	17-7-33	655,595	70.37	50,000
Essex National Bank, Haverhill, Mass.	8-29-33	2,437,438	†101.265	100,000
Reno National Bank, Reno, Nev.	12-9-32	6,456,178	57.65	700,000
Citizens National Bank, Long Branch, N. J.	1-20-32	1,401,749	59.32	150,000
Commercial National Bank, Raleigh, N. C.	12-21-31	4,266,260	70.57	600,000
United States National Bank & Trust Co., Kenosha, Wisc.	11-15-32	1,061,838	75.48	200,000

*Receiver appointed to levy and collect stock assessment covering dificiency in value of assets sold, or to complete unfinished liquidation. †100% principal and partial interest paid to creditors.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 24 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 8, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 8 (in round-lot transactions) totaled 495,610 shares, which amount was 14.51% of total transactions on the Exchange of 3,440,230 shares. This compares with member trading during the previous week ended Nov. 1 of 494,368 shares or 14.34% of total trading of 3,221,260 shares. On the New York Curb Exchange, member trading during the week ended Nov. 8 amounted to 89,620 shares, or 10.52% of the total volume on that Exchange of 768,985 shares; during the preceding week trading for the account of Curb members of 124,670 shares was 14.07% of total trading of 739,220 shares.

The Commission made available the following data for the week ended Nov. 8:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,054	769
1. Reports showing transactions as specialists	184	96
2. Reports showing other transactions initiated on the floor	181	28
3. Reports showing other transactions initiated off the floor	193	66
4. Reports showing no transactions	582	587

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Nov. 8, 1941

	Total For Week	
A. Total Round-Lot Sales		
Short sales	82,960	
Other sales b	3,357,270	
Total sales	3,440,230	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	244,110	
Short sales	43,430	
Other sales b	200,550	
Total sales	243,980	7.10
2. Other transactions initiated on the floor		
Total purchases	149,890	
Short sales	16,600	
Other sales b	142,650	
Total sales	159,250	4.49
3. Other transactions initiated off the floor		
Total purchases	109,075	
Short sales	7,560	
Other sales b	84,820	
Total sales	92,380	2.92
4. Total		
Total purchases	503,075	
Short sales	67,590	
Other sales b	428,020	
Total sales	495,610	14.51

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Nov. 8, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	5,830	
Other sales b	763,155	
Total sales	768,985	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	47,290	
Short sales	4,435	
Other sales b	63,980	
Total sales	68,415	7.52
2. Other transactions initiated on the floor		
Total purchases	5,550	
Short sales	450	
Other sales b	5,700	
Total sales	6,150	0.76
3. Other transactions initiated off the floor		
Total purchases	19,435	
Short sales	225	
Other sales b	14,830	
Total sales	15,055	2.24
4. Total		
Total purchases	72,275	
Short sales	5,110	
Other sales b	84,510	
Total sales	89,620	10.52
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	1	
Customers' other sales c	49,732	
Total purchases	49,733	
Total sales	21,701	

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* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1940—*Month of—*					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of—*					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
1941—*Week Ended—*					
May 3	165,583	147,188	447,525	83	80
May 10	170,436	148,381	466,064	84	80
May 17	161,295	149,884	472,782	84	80
May 24	168,875	152,410	489,915	85	81
May 31	155,831	151,648	488,993	84	81
June 7	156,188	144,481	500,252	84	81
June 14	158,821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	88	82
June 28	151,114	154,711	509,231	90	82
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Nov. 24 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	157	138	127	123	156	196	138
September	r140	122	145	r157	138	r130	r123	156	202	143
October	140	123	143	159	139	132	126	156	---	141
1941—										
Weeks end.:										
Oct. 4	140	122	145	r159	138	131	125	156	*203	143
Oct. 11	140	122	144	r159	138	132	126	156	---	142
Oct. 18	141	123	143	159	139	132	126	156	---	140
Oct. 25	141	123	r143	*159	140	132	126	157	---	r140
Nov. 1	141	124	142	*158	140	r135	126	157	---	140
Nov. 8	140	124	142	*158	140	r133	125	157	---	r139
Nov. 15	140	124	142	*158	141	133	124	157	---	140

* Preliminary. r Revised

Lumber Movement Week Ended Nov. 15

Lumber production during the week ended Nov. 15, 1941, was 8% less than the previous week; shipments were 3% less; new business 1% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 1% above production; new orders 5% below production. Compared with the corresponding week of 1940 production was 1% greater, shipments 3% less, and new business 19% less. The industry stood at 118% of the average of production in the corresponding week og 1935-39 and 130% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the 46 weeks of 1941 to date was 12% above corresponding weeks of 1940; shipments were 12% above the shipments, and new orders 7% above the orders of the 1940 period. For the 46 weeks of 1941 to date, new business was 4% above production, and shipments were 5% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 32% on Nov. 15, 1941, compared with 33% a year ago. Unfilled orders were 14% less than a year ago; gross stocks were 12% less.

Softwoods and Hardwoods

Record for the current week ended Nov. 15, 1941, for the corresponding week year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Wk. (rev.)
Mills	462	462	469
Production	229,131	225,904	248,622
Shipments	230,450	236,466	236,711
Orders	216,937	266,796	219,566

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	386		89	
Production	218,456	—100%	10,675	—100%
Shipments	220,348	101	10,102	95
Orders	206,135	94	10,802	101

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 24 a summary for the week ended Nov. 15, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Nov. 15, 1941—	Total for Week
Odd-lot Sales by Dealers:	
(Customers' Purchases)	
Number of orders	16,620
Number of shares	449,104
Dollar value	16,309,086
Odd-lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' short sales	218
Customers' other sales *a*	18,237
Customers total sales	18,455
Number of Shares:	
Customers' short sales	6,129
Customers' other sales *a*	504,873
Customers' total sales	511,002
Dollar value	14,429,414
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	310
Other sales *b*	159,020
Total sales	159,330
Round-lot Purchases by Dealers—	
Number of shares	105,680

a Sales marked "short exempt" are reported with "other sales". *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

Publish Trust Pamphlet

The Trust Division of the Illinois Bankers Association recently made available to its members an official trust pamphlet, which is reported by trust men to be one of the first to be issued by a bankers' association. Chester D. Seftenberg, of the Oak Park Trust and Savings Bank, of Oak Park, Ill., President of the Trust Division, in announcing the publication of the pamphlet said: "It is designed for distribution to every officer, director, active stockholder, and responsible employee who has dealings with the public, and to lawyers, life insurance men, trust customers, and beneficiaries." Harve H. Page, of the Northern Trust Company, Chicago, and A. C. Boeker, of the Edwardsville National Bank and Trust Co., of Edwardsville, Co-Chairmen, and Walter O'Brien, LaSalle National Bank, Chicago; Charles E. Clippinger, of the Continental Illinois National Bank & Trust Co., Chicago, and J. G. Whittle, of the Citizens National Bank, Decatur, members of the Committee on Education and Public Relations, which prepared the text, believe that such a pamphlet "is desirable in the interest of the common understanding on the part of the public of the functions of a trust company, its policies, and the basic need for trust institutions. It is not intended to be a piece of advertising material, but rather a comprehensive catalogue of personal trust service." It is stated that although most trust institutions have for many years had some form of pamphlet briefly describing their services, the official trust pamphlet—containing clear-cut statements of the institution's policy on basic needs for trust service, services offered, and general policies of trust institutions—is new in this country. The pamphlet contains 16 pages: 14 pages carry the prepared material, leaving blank pages for each institution to carry historical or other individual information.

N. A. M. Finds Living Costs Rising Slower Than Wages

The National Association of Manufacturers reported to its membership on Nov. 16 that living costs have been rising more slowly than earnings since the first of the year. In its statement, the Association said:

> Since the beginning of 1941, there has been a gradual shift in the causes of labor disputes. According to the Bureau of Labor Statistics, organizational and jurisdictional strikes have become decreasingly important while a larger proportion of strikes is attributed to wage disagreements. The percentage of strikes accounted for by demands for wage increases jumped from 25% in January to an estimated 65% in September.
>
> Many of the pay increase demands have been based on the rising cost of living. It is maintained that wages should be adjusted upward to preserve the wage-earner's purchasing power, which it is contended has been declining in proportion to the rise in prices of goods and services.
>
> . . . . Living costs have advanced 5.6% since the first of this year, but average hourly earnings have risen 11.3%. The net result has been a 5.3% advance in the purchasing power of average hourly earnings. It is, of course, a possibility that the situation may be altered by future rises in the cost of living, and that wage adjustments may be demanded in anticipation of higher prices. But the race between wages and prices seems somewhat futile since it inevitably leads to the familiar spiral of inflation where prices rise in response to higher wage costs and wages in turn are advanced because of higher prices.

Fertilizer Assn. Price Index Turns Upward

The wholesale commodity price level was higher last week as farm product and food prices resumed their upward trend, the National Fertilizer Assn. reported Nov. 24. The weekly wholesale commodity price index compiled by Association, in the week ended Nov. 22, 1941, rose to 116.8, which is only 0.3% under the 11-year high recorded on October 14 of this year. A week ago this index was 116.4, a month ago 115.5, and a year ago 99.0, based on the 1935-1939 average as 100.

A moderate rise in the farm product price index was the net result of advancing quotations for cotton and livestock, which more than offset declines in grains. Although price changes in the food group were nearly equal, with nine advances and seven declines, the food price index moved upward; higher quotations for such items as milk, bread, oranges, and meats more than offset declines chiefly in butter, eggs, and tallow. The textile index was fractionally higher, as cotton, wool, and serges rose in price. An increase in the mixed fertilizer price average reflects the general upward trend in fertilizer material and burlap bag costs which have occured this year. The farm machinery index was also higher. A decrease in linseed oil was responsible for a fractional decline in the building material price index. The index of miscellaneous commodities registered a slight drop, as a result of lower cottonseed meal, linseed meal, and bran prices. The decline in the price of cottonseed meal was also responsible for a very small decrease from last week in the fertilizer material price index.

During the week 27 price series included in the index advanced and 16 declined; in the preceding week there were 22 advances and 23 declines; in the second preceding week there were 26 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week Nov. 22, 1941	Preceeding Week Nov. 15, 1941	Month Ago Oct. 18, 1941	Year Ago Nov. 23, 1940
25.3	Foods	113.7	113.0	113.8	90.7
	Fats and Oils	121.8	122.3	116.3	68.4
	Cottonseed Oil	142.5	141.9	133.4	66.1
23.0	Farm Products	117.2	115.8	111.9	88.8
	Cotton	155.9	155.5	150.2	90.3
	Grains	105.0	106.7	94.9	86.3
	Livestock	112.1	109.3	108.0	87.2
17.3	Fuels	113.3	113.3	112.3	101.5
10.8	Miscellaneous Commodities	126.1	126.3	125.3	111.4
8.2	Textiles	139.0	138.9	137.2	110.9
7.1	Metals	104.0	104.0	104.0	103.2
6.1	Building Materials	131.0	131.1	130.8	119.2
1.3	Chemicals and Drugs	112.0	112.0	112.3	103.5
.3	Fertilizer Materials	114.8	114.9	114.6	104.8
.3	Fertilizers	109.8	107.5	107.5	103.0
.3	Farm Machinery	100.7	100.2	100.2	99.6
100.0	All Groups Combined	116.8	116.4	115.5	99.0

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100 Indexes on 1926-1928 base were: Nov. 22, 1941, 91.0; Nov. 15, 1941, 90.7; Nov. 23, 1940. 77.1.

Bond Prices Steady

Secretary Morgenthau has announced that the Treasury would seek new money in December, details to be announced before Dec. 15. It seems possible that in addition to new money, the Treasury might refinance some $300 millions of ⅞% RFC notes maturing Jan. 15, 1942, and about $200 millions of 3% Federal Farm Mortgage bonds callable at that time. There are also over $400 millions of 1¾% Treasury notes due Mar. 15, 1942, which will be in line for refunding soon.

High-grade railroad bonds, in spite of a softening tendency, on the average closed fractionally higher this week. Chicago Union Station Company 3¾s, 1963, at 108¾ were up ½. Medium-grade rail issues were also higher while speculative rails reacted favorably to the threat of railway labor favoring government control. Among issues in the former category, Louisiana & Arkansas 5s, 1969, were unchanged at 82 while in the latter group, Lehigh & New York 4s, 1945, advanced 4¼ points to a new high of 69½; New York Central issues were higher as were Southern Pacific and Illinois Central bonds. Among defaulted rails New Haven issues gained more than 1 point, the 4½s, 1967, reaching a new high of 31¼.

With exception of a few bonds in which redemption is considered possible, such as Louisville Gas & Electric 3½s, 1966, high-grade utilities have been steady. A number of issues including Consumers Power 3½s, 1970, Philadelphia Electric 3½s, 1967, and Southwestern Bell Telephone 3s, 1967, reached peak levels. Investment-grade issues have also been firm with new highs reached by Appalachian Electric Power 3½s, 1970, Jersey Central Power & Light 3½s, 1965, and others. Speculatives have been unsteady tending toward weakness. International Hydro-Electric 6s, 1944, Laclede Gas 5½s, 1960, and Standard Gas & Electric 6s, 1966, were prominent in this movement. Issuance of $25,000,000 Pacific Gas & Electric 3s, 1971, represented new financing for the recent period.

In the industrial section of the list, steel bonds have been generally steady to fractionally higher, oil and coal company obligations have been down fractionally, while most other sections of the list have shown mixed fractional changes. Changes of close to a point or better were registered by the Marion Steam Shovel 6s, 1947, Manati Sugar 4s, 1957, United Stockyards 4¼s, 1951, and United Drug 5s, 1953.

There has been some further recovery in Japanese issues but otherwise the performance of the foreign list has been quite unimpressive. Australian loans have been weak and Danish bonds have absorbed some more liquidation at lower levels. Italian and German issues have sold off while Norwegian bonds have shown some gains. Cuban loans have continued firm.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1941 Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus.
Nov. 25	119.83	108.16	118.60	115.63	109.60	91.77	97.47	112.37	116.02
24	119.97	108.16	118.60	115.82	109.60	91.77	97.47	112.56	116.02
22	119.94	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.02
21	119.96	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.02
20	Stock Exchange Closed								
19	119.82	108.16	118.60	115.82	109.60	91.62	97.31	112.37	116.02
18	119.93	108.16	118.60	115.82	109.60	91.77	97.31	112.37	116.02
17	119.93	108.16	118.60	115.82	109.60	91.77	97.31	112.37	116.02
15	119.98	108.16	118.60	115.82	109.42	91.77	97.31	112.37	116.22
14	119.98	108.16	118.60	115.82	109.42	91.77	97.31	112.37	116.02
13	120.00	108.16	118.60	115.82	109.60	91.77	97.31	112.37	116.02
12	120.00	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.22
11	Stock Exchange Closed								
10	120.02	108.34	118.60	115.82	109.60	92.06	97.62	112.37	116.22
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
22	118.78	107.62	118.00	114.66	108.70	91.77	97.16	112.00	115.04
15	118.90	107.80	118.00	115.04	108.70	91.91	97.31	112.00	115.04
8	119.20	107.98	118.20	115.24	108.70	92.20	97.47	112.00	115.24
1	119.56	107.80	118.20	115.24	108.52	92.06	97.47	112.00	115.24
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
18	119.47	107.62	118.20	115.04	108.34	91.91	97.46	112.00	115.04
11	119.46	107.62	118.20	115.04	108.16	91.91	97.16	111.81	115.04
3	119.55	107.44	118.00	114.66	107.98	91.77	97.00	111.62	114.85
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
20	119.02	107.09	117.80	114.46	107.62	91.48	97.00	111.44	114.27
13	118.97	106.92	117.60	114.08	107.44	91.48	97.00	111.25	113.89
6	118.81	106.74	117.20	113.70	107.27	91.19	96.69	110.88	113.31
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
23	118.35	106.39	116.80	113.50	106.92	91.19	96.69	110.70	112.93
16	118.52	106.39	116.61	113.31	106.92	91.34	96.85	110.52	112.75
9	118.45	106.56	116.80	113.12	106.92	91.62	97.00	110.52	112.93
2	118.66	106.39	117.00	112.93	106.74	91.34	96.85	110.52	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
18	118.28	105.86	116.41	112.56	106.39	90.91	96.54	110.15	112.00
10	117.36	105.69	116.41	112.19	106.21	90.77	96.54	109.79	111.81
4	117.55	106.04	116.80	112.37	106.21	91.48	97.00	109.97	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
21	117.85	106.21	117.00	112.93	106.56	90.77	96.54	110.15	112.75
14	117.77	106.21	117.40	113.31	106.56	90.48	96.54	109.97	113.31
7	116.90	106.04	117.40	113.31	106.39	90.20	96.23	109.97	113.12
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
21	116.06	105.52	117.00	112.75	106.04	89.52	95.62	109.60	112.75
14	116.24	105.86	117.60	113.12	106.21	89.64	95.92	109.60	113.12
7	116.52	106.21	117.80	113.31	106.39	90.20	95.54	109.79	113.31
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
24	117.64	106.56	117.60	113.89	106.56	90.77	97.16	109.97	113.50
17	118.06	106.56	118.20	113.89	106.56	90.48	96.69	110.15	113.89
10	118.03	106.56	118.20	114.27	106.56	90.34	96.69	110.15	114.08
3	118.65	106.39	118.40	114.46	106.39	89.78	95.92	110.15	114.46
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Yr. Ago									
Nov. 25, '40	118.74	106.21	118.40	114.27	106.21	89.37	95.32	110.88	113.89
2 Yrs. Ago									
Nov. 25, '39	114.28	101.14	113.70	110.70	99.84	84.17	89.78	106.04	109.06

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1941 Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Nov. 25	3.27	2.72	2.87	3.19	4.29	3.91	3.04	2.85
24	3.27	2.72	2.86	3.19	4.29	3.91	3.03	2.85
22	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.85
21	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.85
20	Stock Exchange Closed							
19	3.27	2.72	2.86	3.19	4.30	3.92	3.04	2.85
18	3.27	2.72	2.86	3.19	4.29	3.92	3.04	2.85
17	3.27	2.72	2.86	3.19	4.29	3.92	3.04	2.85
15	3.27	2.72	2.86	3.20	4.29	3.92	3.04	2.84
14	3.27	2.72	2.86	3.20	4.29	3.92	3.04	2.85
13	3.27	2.72	2.86	3.19	4.29	3.92	3.04	2.85
12	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.84
11	Stock Exchange Closed							
10	3.26	2.72	2.86	3.19	4.27	3.90	3.04	2.84
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
22	3.30	2.75	2.92	3.24	4.29	3.93	3.06	2.90
15	3.29	2.75	2.90	3.24	4.28	3.92	3.06	2.90
8	3.28	2.74	2.89	3.24	4.26	3.91	3.06	2.89
1	3.29	2.74	2.89	3.25	4.27	3.91	3.06	2.89
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
18	3.30	2.74	2.90	3.26	4.28	3.93	3.06	2.90
11	3.30	2.74	2.90	3.27	4.28	3.93	3.07	2.90
3	3.31	2.75	2.92	3.28	4.29	3.94	3.08	2.91
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
20	3.33	2.76	2.93	3.30	4.31	3.94	3.09	2.94
13	3.34	2.77	2.95	3.31	4.31	3.94	3.10	2.96
6	3.35	2.79	2.97	3.32	4.33	3.96	3.12	2.99
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
23	3.37	2.81	2.98	3.34	4.33	3.96	3.13	3.01
16	3.37	2.82	2.99	3.34	4.32	3.95	3.14	3.02
9	3.36	2.81	3.00	3.34	4.30	3.94	3.14	3.01
2	3.37	2.80	3.01	3.35	4.32	3.95	3.14	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
18	3.40	2.83	3.03	3.37	4.35	3.97	3.16	3.06
10	3.41	2.83	3.05	3.38	4.36	3.97	3.18	3.07
4	3.39	2.81	3.04	3.38	4.31	3.94	3.17	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
21	3.38	2.80	3.01	3.36	4.36	3.97	3.46	3.02
14	3.38	2.78	2.99	3.36	4.38	3.97	3.17	2.99
7	3.39	2.78	2.99	3.37	4.40	3.99	3.17	3.00
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
21	3.42	2.80	3.02	3.39	4.45	4.03	3.19	3.02
14	3.40	2.77	3.00	3.38	4.44	4.01	3.19	3.00
7	3.38	2.76	2.99	3.37	4.40	3.97	3.18	2.99
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
24	3.36	2.77	2.96	3.36	4.36	3.93	3.17	2.98
17	3.36	2.74	2.96	3.36	4.38	3.96	3.16	2.96
10	3.36	2.74	2.94	3.36	4.39	3.96	3.16	2.95
3	3.37	2.73	2.93	3.37	4.43	4.01	3.16	2.93
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year Ago—								
Nov. 25, '40	3.38	2.73	2.94	3.38	4.46	4.05	3.12	2.96
2 Years Ago—								
Nov. 25, '39	3.68	2.97	3.13	3.76	4.85	4.43	3.39	3.22

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Plan To Expand Wheat And Flour Exports

The Department of Ariculture announced on Nov. 22 a wheat export sales plan under which the Commodity Credit Corporation will sell for export or for manufacture into flour for export limited quantities of wheat from its pooled stocks at prices below the domestic market. According to the Department, the plan will operate closely in conjuction with the Wheat Export and Wheat Flour Export Programs which have been in operation by the Surplus Marketing Administration since July 1, 1941. Under these export programs, says the Department, the Surplus Marketing Administration offers to make payments to exporters in connection with the exportation of flour from all U. S. ports to certain countries designated by Surplus Marketing Administration. The Department's announcement goes on to say:

> To aid in the exportation of wheat flour, Commodity Credit Corporation will make sales of equivalent quantities of wheat either upon the presentation of satisfactory evidence that the flour has been exported or the furnishing of bond guaranteeing the performance of a contract to export such flour in the future. Commodity Credit Corporation will quote such prices on wheat for sale under its export sales plan as are deemed necessary to promote the exportation of flour, after taking into consideration the payments which Surplus Marketing Administration will make.
>
> Under the wheat export sales plan of Commodity Credit Corporation, flour sales are permitted to Venezuela, Colombia, Ecuador, and to any country or place north of such countries in the Americas and adjacent islands, and to islands east of the Americas lying on or west of 40 degrees West Longitude and to the Philippine Islands and the Virgin Islands. The plan does not include flour sales to Puerto Rico, Alaska and the Canal Zone.
>
> The Surplus Marketing Administration will purchase wheat from Commodity Credit Corporation under the plan for sale for export to such foreign countries as may be designated by Surplus Marketing Administration. Either the identical wheat sold or an equivalent quantity may be exported under such sales, and satisfactory evidence of exportation must be furnished Surplus Marketing Administration.
>
> The plan will be effective from the present date until July 1, 1942. Detailed regulations concerning the wheat export sales plan may be obtained from the regional offices of Commodity Credit Corporation in Chicago, Kansas City, Missouri, Minneapolis, and Portland, Ore.
>
> At the present time, Commodity Credit Corporation holds approximately 174,000,000 bushels of wheat in the 1939 and 1940 wheat pools. To provide additional space for the 1941 grain crop, a portion of these stocks were moved to the ports and to other locations out of line for the domestic market. These stocks, and some pooled wheat reported to be threatened with damage from insects or from congestion of storage facilities, are those being made available for export.
>
> It is believed the Commodity Credit Corporation export sales program will result in the pools obtaining a larger net return than under any other plan for the disposal of the wheat. In addition, exporters will be aided in retaining foreign markets for wheat and flour.

Bank Debits Up 23% From Last Year

Bank debits as reported by banks in leading centers for the week ended Nov. 19 aggregated $12,653,000,000. Total debits during the 13 weeks ended Nov. 19 amounted to $138,733,000, or 26 per cent above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 22% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 29%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District	Week Ended Nov. 19, 1941	Week Ended Nov. 20, 1940	13 Weeks Ended Nov. 19, 1941	13 Weeks Ended Nov. 20, 1940
Boston	740	614	7,669	6,414
New York	4,921	4,147	55,148	45,300
Philadelphia	668	576	7,267	5,650
Cleveland	965	703	10,186	7,893
Richmond	515	400	5,712	4,281
Atlanta	425	316	4,598	3,436
Chicago	1,904	1,545	21,026	16,312
St. Louis	425	338	4,657	3,403
Minneapolis	253	193	2,830	2,171
Kansas City	411	331	4,423	3,462
Dallas	363	282	3,700	2,750
San Francisco	1,063	840	11,517	9,077
Total, 274 reporting centers	12,653	10,284	138,733	110,148
New York City*	4,385	3,773	50,322	41,389
140 Other leading centers*	7,141	5,618	76,253	59,287
133 Other centers	1,127	893	12,158	9,471

* Included in the national series covering 141 centers, available beginning with 1919.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of Interior, in its latest coal report stated that the total production of soft coal in the week ended Nov. 15 is estimated at 11,100,000 net tons. Armistice Day, Nov. 11, was partially observed as a holiday at the mines, but activity increased on other days of the week to the extent that the total output shows an increase of 145,000 tons, or 1.3%, over the week of Nov. 8.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Nov. 15 was estimated at 1,065,000 tons, an increase of 140,000 tons over the preceding week. Output in the corresponding week of 1940 amounted to 919,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar Year to Date c		
Bituminous coal a	Nov. 15, 1941	Nov. 8, 1941d	Nov. 16, 1940	1941e	1940	1929
Total, including mine fuel	11,100	10,955	9,750	438,373	392,693	468,319
Daily average	f1,968	1,826	1,773	1,633	1,452	1,720
Crude petroleum b						
Coal equivalent of weekly output	6,546	6,561	5,729	279,221	271,479	203,430

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal Note that most of the supply of petroleum products is not directly competitive with coal. ("Minerals Yearbook," 1939, page 702.) c Sum of 46 full weeks ended Nov. 15, 1941, and corresponding 46 weeks of 1940 and 1929. d Revised. e Subject to current adjustment. f Armistice Day, Nov. 11, weighted as 0.65 of a full working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar Year to Date		
	Nov. 15, 1941	Nov. 8, 1941	Nov. 16, 1940	1941	1940 a	1929 a
Penn. Anthracite—						
Total, incl. colliery fuel b	1,065,000	1,051,000	919,000	48,550,000	44,344,000	63,475,000
Comm'l production c	1,012,000	998,000	873,000	46,128,000	42,127,000	58,905,000
Beehive Coke—						
U. S. Total	137,100	132,300	89,900	5,459,100	2,352,100	5,903,200
Daily average	22,850	22,050	14,983	19,997	8,616	21,623

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Nov. average
State—	Nov. 8, 1941	Nov. 1, 1941	Nov. 9, 1940	Nov. 11, 1939	Nov. 9, 1929	1923
Alaska	3	3	3	3	(f)	(f)
Alabama	348	231	275	293	280	409
Arkansas and Oklahoma	93	85	74	78	139	100
Colorado	164	159	160	166	265	236
Georgia and North Carolina	1	1	*	*	(f)	(f)
Illinois	1,118	1,095	984	1,079	1,289	1,571
Indiana	475	473	382	336	375	536
Iowa	52	49	62	70	132	128
Kansas and Missouri	163	139	136	149	155	175
Kentucky—Eastern	846	901	692	877	824	724
Western	240	239	150	185	244	218
Maryland	36	37	30	36	66	35
Michigan	7	8	9	13	16	26
Montana	101	103	76	70	86	83
New Mexico	26	24	22	26	63	62
North and South Dakota	109	105	108	73	f59	f35
Ohio	703	675	385	520	558	764
Pennsylvania bituminous	2,516	2,363	2,467	2,604	3,052	2,993
Tennessee	136	147	93	129	106	117
Texas	8	8	10	15	16	29
Utah	92	91	96	89	126	112
Virginia	397	402	251	309	252	217
Washington	53	56	41	41	55	72
West Virginia—Southern a	2,272	2,170	1,725	2,209	2,152	1,271
Northern b	841	827	603	771	803	776
Wyoming	155	164	139	135	167	184
Other Western States c	*	1	1	*	f5	f5
Total bituminous coal	10,955	10,556	8,974	10,276	11,285	10,878
Pennsylvania anthracite d	1,051	1,025	1,069	930	1,524	1,896
Total, all coal	12,006	11,581	10,043	11,206	12,809	12,774

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

Electric Output For Week Ended Nov. 22, 1941 Shows Gain Of 12.9% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 22, 1941, was 3,205,034,000 kwh. The current week's output is 12.9% above the output of the corresponding week of 1940, when production totaled 2,839,421,000 kwh. The output for the week ended Nov. 15, 1941, was estimated to be 3,304,464,000 kwh., an increase of 14.3% over the like week a year ago.

PERCENTAGE INCREASE FROM PREVIOUS YEAR

Major Geographic Regions	Week Ended Nov. 22, '41	Week Ended Nov. 15, '41	Week Ended Nov. 8, '41	Week Ended Nov. 1, '41
New England	9.5	15.7	18.7	17.7
Middle Atlantic	11.2	10.4	14.0	12.2
Central Industrial	14.5	16.8	18.5	18.1
West Central	14.8	15.9	17.8	17.5
Southern States	13.0	14.3	17.3	16.4
Rocky Mountain	17.4	16.9	16.3	17.7
Pacific Coast	x10.5	x12.2	x11.1	x12.4
Total United States	12.9	14.3	16.4	15.8

x Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
June 7	3,042,128	2,598,812	+17.1	2,328,756	2,056,509	2,266,759
June 14	3,066,047	2,664,853	+15.1	2,340,571	2,051,006	2,260,771
June 21	3,055,841	2,653,788	+15.2	2,362,436	2,082,232	2,287,420
June 28	3,120,780	2,659,825	+17.3	2,395,857	2,074,014	2,285,362
July 5	2,866,865	2,425,229	+18.2	2,145,033	1,937,486	2,139,281
July 12	3,141,158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3,162,586	2,681,071	+18.0	2,377,902	2,152,779	2,321,531
July 26	3,183,925	2,760,935	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,198,266	2,360,9[illegible]0
Aug. 16	3,200,818	2,745,697	+16.6	2,453,556	2,206,560	2,365,859
Aug. 23	3,193,404	2,714,193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,380,301
Sept 6	3,095,746	2,591,957	+19.4	2,375,852	2,109,985	2,211,398
Sept 13	3,281,290	2,773,177	+18.3	2,532,014	2,273,233	2,338,370
Sept 20	3,232,192	2,769,346	+16.7	2,538,118	2,211,059	2,231,277
Sept 27	3,233,278	2,816,358	+14.8	2,558,538	2,207,942	2,331,415
Oct. 4	3,289,692	2,792,067	+17.8	2,554,290	2,228,586	2,339,384
Oct. 11	3,314,952	2,817,465	+17.7	2,583,366	2,251,089	2,324,750
Oct. 18	3,273,184	2,837,730	+15.3	2,576,331	2,281,328	2,327,212
Oct. 25	3,299,120	2,856,827	+15.1	2,622,267	2,283,831	2,297,785
Nov. 1	3,338,538	2,882,137	+15.8	2,608,664	2,270,534	2,246,449
Nov. 8	3,325,574	2,858,054	+16.4	2,588,618	2,276,904	2,214,337
Nov. 15	3,304,464	2,889,937	+14.3	2,587,113	2,325,273	2,263,679
Nov. 22	3,205,034	2,839,421	+12.9	2,560,962	2,247,712	2,104,579

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September		11,484,529	---	10,653,197	9,486,866	9,908,314
October		12,474,727	---	11,289,617	9,844,519	10,065,805
November		12,213,543	---	11,087,866	9,893,195	9,506,495
December		12,842,218	---	11,476,294	10,372,602	9,717,471
Total for yr.		138,653,997		124,502,309	111,557,727	117,141,591

Living Costs In Large Cities Increased 1.2% From Mid-September To Mid-October

The cost of goods purchased by wage earners and lower-salaried workers in large cities increased 1.2% from mid-September to mid-October, Secretary of Labor Perkins reported on Nov. 20. "Advances in rents and in prices of food, clothing, automobiles, and certain housefurnishings, resulted in an increase of about 1.0% over the month," she said. "Excise taxes levied by the Revenue Act of 1941 caused the further increase of about 0.2%," the Secretary said, adding:

> The index of the cost of goods purchased by this group for Oct. 15, 1941 is 109.4 as compared with 100.0 as the average for 1935-39. Increases in the cost of goods and services were responsible for a rise of 8.9% above the 1935-39 average and defense excise taxes levied in 1940 and 1941 for the additional 0.5%. The full effect of the new defense excise taxes has not yet been felt, because many of the goods now on retailers' shelves were purchased before the first of October, when the additional manufacturers' excise taxes were levied.

Food

Retail food prices increased somewhat more moderately between mid-September and mid-October than during other recent months, with an advance in total food costs of 0.8% during the month. Prices of most foods were higher, except for meats and certain fresh vegetables, such as cabbage and spinach, which were seasonally lower. Potato prices advanced due to the relatively small late crop. The usual autumn price increases were reported for eggs, dairy products, and most fruits and other vegetables.

Rent

Rents rose more rapidly on the average, this month, than in preceding months. In Savannah, where employment in connection with defense activities has increased rapidly this fall, the increased demand for housing was reflected in a rise over the month of 4.2% in average rents paid by moderate-income families, taking into account those which changed, and those which remained the same. In other cities where defense activities have been increasing, there have also been large increases in rental costs, particularly in Birmingham, whre rents were still comparatively low in September 1940, and where increases have been reported every month since defense activity began to increase payrolls in that city.

Fuel, Electricity and Ice

As usual at this time of year, prices of coal and wood rose slightly on the average throughout the country. In 2 cities, Cincinnati and Detroit, the cost of gas to moderate-income domestic users was reduced between Sept. 15 and Oct. 15.

Clothing

Clothing costs continued the steady rise which began last February. They advanced 1.8% between mid-September and mid-October with greatest increases reported for women's cotton frocks, and for men's cotton work clothing. Men's suits and men's and women's underwear, shoes and hose also rose considerably over the month. The largest increases in clothing costs, all 3% or more, occurred in Los Angeles, Washington, D. C., Denver and Pittsburgh, where increased prices were reported for more than half of the articles of clothing covered by the monthly clothing index.

Since Oct. 1, women's fur-trimmed coats are subject to a 10% tax at retail if "fur is the component material of chief value." Few of the coats purchased by women in moderate-income families are subject to the tax on this basis.

Percentage Change in Average Prices Paid for Specified Articles of Clothing by Wage Earners and Lower-Salaried Workers in Large Cities of the United States

Articles of Clothing	Percentage Changes: Sept. 15, 1939 to Oct. 15, 1941	Percentage Changes: Sept. 15, 1941 to Oct. 15, 1941
Men's:		
Topcoats	+10.6	+0.9
Suits, wool	+15.1	+0.8
Work trousers, cotton	+20.8	+4.1
Overalls, cotton	+28.6	+3.3
Work shirts, cotton	+28.1	+4.1
Business shirts	+8.8	+0.6
Street shoes	+14.3	+0.4
Work shoes	+16.8	+1.8
Women's:		
Dress coats, fur trim	*	†+4.8
Sport coats	+10.9	+0.5
Rayon panties	+10.4	+4.3
Percale dresses	+35.9	+7.7
Silk hose	+15.4	+2.6

*Data not available. †Only part of this increase was due to new defense excise taxes.

Housefurnishings

As in preceding months of this year, suites of furniture, sheets, mattresses and blankets continued to rise in many of the cities surveyed. Radio prices also rose sharply. New defense excise taxes to be paid by manufacturers on electric, gas and oil appliances (except domestic washing machines) became effective on Oct. 1st, but the majority of the retailers from whom the Bureau obtained prices on Oct. 15 reported that their stocks had been purchased before that date and therefore had not been subject to the tax.

Percentage Change in Average Prices Paid for Specified Housefurnishings by Wage Earners and Lower-Salaried Workers in Large Cities of the United States.

Articles of Housefurnishings	Percentage Changes: Sept. 15, 1939 to Oct. 15, 1941	Percentage Changes: Sept. 15, 1941 to Oct. 15, 1941
Living room suites	+30.9	+1.6
Bedroom suites	+22.6	+1.4
Electric refrigerators	—7.9	+1.4
Washing machines	+16.4	+2.2
Rugs	+20.1	+0.3
Mattresses	+17.2	+4.4
Sheets	+30.1	+4.5

Miscellaneous Goods and Services

The introduction of the 1942 automobile models at higher prices, and new defense taxes, were largely responsible for the increase in the cost of the miscellaneous group. Excise taxes on automobiles, tires and tubes, and movies were increased as of Oct. 1, and new taxes were applied to toilet preparations, telephone charges, and railroad fares. On the average, the cost of miscellaneous goods and services rose 1.9% from mid-September to mid-October with increases of over 2% in half of the reporting cities. Somewhat more than one-third of the increase was due to the new taxes.

TABLE 1

Percentage Change from Sept. 15 to Oct. 15, 1941 in the Cost of Goods Purchased by Wage Earners and Lower-Salaried Workers in Large Cities of the United States, by Groups of Items

Area and City	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	**+1.2**	***+0.8**	**+1.8**	**+0.7**	**†+0.3**	**+2.6**	**+1.9**
New England:							
Boston	+0.7	+0.1	+1.4	+1.0	+0.3	+2.0	+0.8
Middle Atlantic:							
Buffalo	+1.1	+0.3	+1.2	+0.2	+0.6	+2.7	+2.5
New York	+1.2	+1.5	+1.6	‡	‡	+4.0	+1.6
Philadelphia	+1.3	+1.4	+1.0	‡	+0.2	+0.5	+2.4
Pittsburgh	+0.7	—0.1	+3.0	‡	‡	+1.6	+1.6
East North Central:							
Chicago	+0.6	—0.4	+0.9	+1.0	+0.5	+3.5	+1.4
Cincinnati	+1.7	+2.4	+1.4	+0.4	—1.3	+2.8	+2.2
Cleveland	+0.8	—0.1	+1.7	+0.3	‡	+1.0	+2.0
Detroit	+2.2	+2.0	+2.6	+1.7	+0.5	+2.9	+2.6
West North Central:							
Kansas City	+1.7	—0.2	+2.6	+2.1	‡	+4.6	+2.8
Minneapolis	+1.1	+0.4	+1.3	+0.2	+0.4	+1.9	+2.1
St. Louis	+0.9	+0.1	+1.9	‡	+0.1	+3.0	+1.9
South Atlantic:							
Baltimore	+0.8	+0.4	+0.9	+0.2	‡	+2.8	+1.6
Savannah	+2.1	+1.6	+1.7	+4.2	‡	+3.3	+2.2
Washington, D. C.	+1.6	+1.3	+3.5	+0.3	+0.6	+4.5	+1.7
East South Central:							
Birmingham	+1.6	+0.6	+1.7	+3.2	+1.0	+1.9	+1.9
West South Central:							
Houston	+2.1	+3.1	+2.7	—0.1	+0.1	+2.1	+2.6
Mountain:							
Denver	+2.3	+2.4	+3.2	+1.1	+0.8	+4.6	+2.4
Pacific:							
Los Angeles	+1.8	+0.4	+3.7	+1.4	‡	+3.8	+2.5
San Francisco	+1.4	+1.4	+1.9	+0.3	+0.1	+1.8	+2.0
Seattle	+1.3	+0.9	+1.8	+0.6	+0.9	+2.8	+1.7

*Based on data for 51 cities. †Based on data for 34 cities. ‡No change.

TABLE 2

Indexes of the Cost of Goods Purchased by Wage Earners and Lower-Salaried Workers in Large Cities of the United States by Groups of Items, Oct. 15, 1941
(Average 1935-39=100)

Area and City	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	**100.4**	***111.6**	**112.8**	**107.5**	**†104.0**	**114.9**	**107.0**
New England:							
Boston	107.1	108.5	111.5	102.6	110.4	113.3	104.7
Middle Atlantic:							
Buffalo	112.1	114.4	112.1	112.9	103.0	117.7	110.4
New York	108.1	111.4	111.5	102.9	104.1	111.2	106.7
Philadelphia	108.1	109.0	111.6	105.3	103.3	112.5	107.6
Pittsburgh	109.5	111.8	114.7	106.9	107.1	115.7	105.7
East North Central:							
Chicago	110.2	113.5	109.5	112.1	103.1	113.9	105.7
Cincinnati	109.9	112.6	115.0	103.4	102.5	122.0	107.5
Cleveland	111.8	114.0	116.2	113.2	112.0	116.5	105.9
Detroit	112.0	111.1	113.6	116.7	105.3	115.2	110.0
West North Central:							
Kansas City	107.2	107.1	112.5	106.8	102.7	112.1	105.9
Minneapolis	110.2	112.5	113.1	108.8	99.0	116.5	109.6
St. Louis	108.8	114.6	112.6	102.4	105.9	108.5	104.9
South Atlantic:							
Baltimore	110.4	113.6	110.2	111.1	103.4	118.7	105.9
Savannah	112.8	118.3	115.6	112.5	100.6	115.3	107.9
Washington, D. C.	106.4	111.9	117.7	101.2	101.7	123.2	106.0
East South Central:							
Birmingham	111.7	109.7	116.6	126.0	98.9	112.6	107.5
West South Central:							
Houston	110.2	116.6	115.5	106.8	93.6	116.7	105.8
Mountain:							
Denver	108.4	109.9	111.6	108.3	98.2	115.0	107.0
Pacific:							
Los Angeles	110.0	112.4	115.7	108.1	94.2	114.7	108.0
San Francisco	103.3	112.6	111.6	104.8	91.9	113.3	109.1
Seattle	112.9	118.1	114.3	114.8	98.5	111.9	109.4

*Based on data for 51 cities. †Based on data for 34 cities.

President In Message To CIO Says Labor Disputes Shall Not Interrupt Defense

In a message to the convention of the Congress of Industrial Organizations at Detroit, President Roosevelt on Nov. 18 declared that the American people and their Government are determined that we shall have the guns, tanks, planes and ships needed, "without delay and without interruption," for the protection of freedom. The President added that he was confident that members of the CIO would cooperate with other American groups "in the common and patriotic interest," saying that "Americans will demand such a contribution." He also reiterated his plea, made to the American Federation of Labor convention, for the establishment of peace between labor groups and for no jurisdictional conflicts.

The text of the President's letter follows:

Mr. Philip Murray, President,
Congress of Industrial Organizations.

Dear Mr. Murray:

Will you please extend my greetings and felicitations to the officers and members of the Congress of Industrial Organizations attending your annual convention?

At the same time let me wish, with all your members, for a meeting out of which will come substantial good and benefit to American wage-earners, to American business, to American farmers and to the American public.

The annual conventions of American labor groups are symbols of the freedom which we in the United States enjoy and must make every sacrifice to maintain. Only in a democracy could such a meeting be held.

But they, as well as freedom of worship, freedom of speech, freedom of the press and all property rights, are today threatened by the menace of Hitlerism which has already blighted so many peoples who cherish liberty and happiness.

Unless these freedoms are protected from this world scourge free trade unions and all other free institutions will vanish. In order to protect them, our defense program must be all-out and at all times. We need guns, tanks, planes and ships and we must produce guns, tanks, planes and ships without delay and without interruption, and the American people and their Government are determined that we shall have them.

I have every confidence that your members, recognizing the imperative needs of the American people in the interest of American defense, will cooperate with all other American groups in the common and in the patriotic interest. Americans will demand such a contribution from management, from labor and from all other groups for the preservation of home, family, religion and nation.

In my message to the American Federation of Labor convention I said to that meeting, as I say to the Congress of Industrial Organizations' convention: In this hour when civilization itself is in the balance, organizational rivalries and jurisdictional conflicts should be discarded. Only by United action can we turn back the Nazi threat. The establishment of peace between labor organizations would be a patriotic step forward of incalculable value in the creation of true national unity.

American labor organizations today have a great responsibility. Enslaved workers the world over look to their American brothers for the production of the weapons which will make them free again. American workers cannot and must not fail them in their hour of need and our hour of need.

Very truly yours,
FRANKLIN D. ROOSEVELT.

Daily Average Crude Oil Production for Week Ended Nov. 22, 1941 Up 250,000 Barrels

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Nov. 22, 1941, was 4,336,850 barrels. This was an increase of 250,000 barrels over the output of the preceding week and the current week's figures were above the 4,070,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during November. Daily average production for the four weeks ended Nov. 22, 1941, is estimated at 4,147,750 barrels. The daily average output for the week ended Nov. 23, 1940 totaled 3,765,900 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,995,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 84,579,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,555,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	aB. of M. Calculated Requirements (November)	State Allowables	Actual Production: Week Ended Nov. 22 1941	Actual Production: Change From Previous Week	4 Weeks Ended Nov. 22 1941	Week Ended Nov. 23 1940
Oklahoma	469,400	428,000	b427,200	— 300	428,200	400,100
Kansas	253,500	257,000	b254,250	— 1,300	246,500	190,850
Nebraska	6,200	------	b5,850	— 50	6,100	2,900
Panhandle Texas			95,000	+ 15,400	83,600	73,800
North Texas			115,500	+ 9,600	108,200	119,000
West Central Texas			33,450	+ 2,050	31,900	32,650
West Texas			332,700	+ 47,100	297,700	251,250
East Central Texas			90,450	+ 7,400	86,650	84,200
East Texas			438,250	+ 68,600	386,800	447,000
Southwest Texas			251,950	+ 36,150	227,150	230,800
Coastal Texas			337,150	+ 47,950	302,400	274,150
Total Texas	1,454,700	c1,533,283	1,694,450	+234,250	1,524,400	1,512,850
North Louisiana			81,950	— 150	81,800	66,600
Coastal Louisiana			266,050	— 3,600	265,750	218,300
Total Louisiana	333,200	347,058	348 000	— 3,750	347,550	284,900
Arkansas	76,500	73,653	73,350	+ 550	72,750	69,750
Mississippi	55,100		b79,000	+ 2,700	70,700	15,650
Illinois	408,100		405,100	+ 20,450	406,550	329,650
Indiana	20,500		b18,100	+ 500	18,100	21,450
Eastern (not incl. Ill. and Ind.)	94,300		95,150	+ 2,850	94,300	88,100
Michigan	47,400		57,600	— 3,700	59,950	47,150
Wyoming	83,400		83,500	+ 9,100	79,500	74,650
Montana	20,600		21,450	+ 50	21,050	17,800
Colorado	5,200		5,250	— 400	5.550	3,350
New Mexico	115,200	116,500	117 400	+ 950	116,700	100,850
Total East of Calif.	3,443,300		3,685,650	+261,900	3,497,900	3,160,000
California	626,700	d613,200	651.200	— 11,900	649,850	605,900
Total United States	4,070,000		4,336,850	+250,000	4,147,750	3,765,900

aThese are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of November. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

bOkla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Nov. 19.

cThis is the net basic 30-day allowable as of Nov. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made With a few exceptions the entire State, including Panhandle, was ordered shut down on Nov. 2, 8, 9, 11, 16, 23, 27 and 30.

dRecommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 22, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

District	*Daily Refining Capacity: Potential Rate*	*Daily Refining Capacity: P. C. Reporting*	*Crude Runs to Stills: Daily Aver.*	*Crude Runs to Stills: P. C. Operated*	*Gasoline Produc'n at Refineries Incl. Natural Blended*	*Stocks Finished & Unfinished Gasoline*	*e Stocks of Gas Oil and Distillates*	*e Stocks of Residual Fuel Oil*	*f Stocks Aviation Gasoline*
East Coast	673	100.0	640	95.1	1,880	19,225	22,216	11,931	E. Coast
Appalachian	166	83.8	125	89.9	458	3,468	652	414	713
Ind., Ill., Ky.	752	84.4	650	102.4	2,515	15,498	5,686	4,637	Interior
Okla., Kans., Mo.	413	80.7	302	90.7	1,198	7,932	2,090	2,265	1,460
Inland Texas	263	63.2	135	81.3	660	2,434	463	1.364	G.Coast
Texas Gulf	1,097	91.0	1,020	102.1	3,203	11,174	6.407	8.081	2,760
Louisiana Gulf	156	94.2	133	89.9	403	2,726	1,669	2,248	
No. La. & Arkansas	95	49.9	51	108.5	151	447	364	385	
Rocky Mountain	136	50.1	49	72.1	256	1,095	142	353	Calif.
California	787	90.9	514	71.9	1,476	15,255	13,107	63,054	2,183
Reported		86.4	3,619	92.3	12,200	79,254	52,796	94,732	7,116
Est. unreported			376		1.355	5,325	1,600	1,250	400
aEst. Total U. S. Nov. 22, 1941	4,538		3,995		13,555	d84,579	54,396	95,982	7,516
aEst. Total U. S. Nov. 15, 1941	4,538		4,010		13,772	83,412	54,983	95,993	7,307
U. S. B. of Mines aNov. 22, 1941			b3,512		c11,619	79,417	47,348	105.358	6,287

aEstimated Bureau of Mines' basis. bNovember 1940 daily average. cThis is a week's production based on the U. S. Bureau of Mines November 1940 daily average. dFinished 76 723.000 bbl.; unfinished 7.856.000 bbl. eAt refineries, bulk terminals, in transit and pipe lines. fIncluded in finished and unfinished gasoline total.

Reelected Directors Chicago Reserve Bank

The Federal Reserve Bank of Chicago announced Nov. 17 that Frank D. Williams, Executive Vice-President and Cashier, The First Capital National Bank of Iowa City, Iowa City, Iowa, was re-elected by member banks in Group 3 as a Class A Director, and Nicholas H. Noyes, Vice-President and Treasurer, Eli Lilly & Co., Indianapolis, Ind., was re-elected by member banks in Group 2 as a Class B Director. Each was chosen for a term of three years beginning Jan. 1, 1942.

November Food Lists For Stamp Program

The Department of Agriculture announced on Oct. 27 the list of foods, which will be available during November for purchase with blue stamps by families taking part in the Food Stamp Program. From the Department's announcement we quote:

> Butter and fresh pork have been added to the list of foods obtainable nationally by stamp program participants during November at local stores in areas where the program is in operation. Except for the addition of these two staple food items, which appear on the stamp program food list for the first time since July, the November list is the same as that for October.
>
> The complete list of blue stamp foods for the period Nov. 1 through Nov. 30 in all Stamp Plan areas is as follows: Butter, fresh pork (except that cooked or packed in metal or glass containers), fresh pears, apples, oranges, and fresh vegetables (including potatoes), corn meal, shell eggs, raisins, dried prunes, hominy (corn) grits, dry edible beans, wheat flour, enriched wheat flour, self-rising flour, enriched self-rising flour, and whole wheat (Graham) flour.

Roosevelt To Russia

President Roosevelt on Nov. 6 sent a telegram to Michail Kalinin, President of the All Union Central Executive Committee of Soviet Russia, extending "felicitations and sincere good wishes" on the national anniversary of the Soviet Union—24th anniversary of the Russian revolution. Praising the "valiant and determined resistance of the Army and people of the Soviet Union to the attacks of the invader," the President said it was "enheartening" to the people of the United States and to all forces which abhor aggression. Expressing confidence that the "sacrifices and sufferings" will not have been in vain, Mr. Roosevelt assured Mr. Kalinin that the United States will "do everything possible to assist your country in this critical hour."

The text of President Roosevelt's telegram to President Kalinin follows:

> The White House,
> Nov. 7, 1941.
>
> His Excellency Michail Kalinin,
> President, All Union Central Executive Committee, Kuibyshev (U. S. S. R.)
>
> Upon the national anniversary of the Union of the Soviet Socialist Republics I wish to extend to you my felicitations and sincere good wishes for the well-being of the people of your country and to tell you how enheartening the valiant and determined resistance of the Army and people of the Soviet Union to the attacks of the invader is to the people of the United States and to all forces which abhor aggression. I am confident that the sacrifices and sufferings of those who have the courage to struggle against aggression will not have been in vain.
>
> I wish to assure you of the desire of the Government and people of the United States to do everything possible to assist your country in this critical hour.
>
> FRANKLIN D. ROOSEVELT.

ABA 1942 Convention To Be Held At Detroit

The 1942 convention of the American Bankers Association will be held at Detroit, Mich., it is announced by Henry W. Koeneke, President of the Association, who is President of the Security Bank at Poca City, Okla. The dates are Sept. 27-Oct. 1.

Marked Increase In Strike Man-Hours Lost

Strikes resulted in ten times more man-hours being lost last week than during the preceding week, a compilation by the National Association of Manufacturers of 15 strikes involving workers in defense plants revealed Nov. 22.

The survey, the Association pointed out, covered only those strikes reported in the metropolitan newspapers and did not purport to cover all strikes in progress. A comparison of work stoppages under the "Strikes as Usual" policy for the last four weeks follows:

Week Ending	Number of Strikes	Men Involved	Man-Hours Lost in Week
Nov. 21	15	222,821	5,076,060
Nov. 14	14	15,084	414,184
Nov. 7	25	23,370	918,940
Oct. 31	9	73,910	3,408,160
Total			9,817,344

The 9,817,344 man-hours lost is an equivalent of 1,252,168 man-days lost, slightly less than the average monthly man-days lost for all strikes in 1939, when "sitdown strikes" resulted in more work stoppages than any time since 1929.

The national defense program, the Association pointed out, has suffered few, if any, such serious setbacks in one week from work stoppages as it did last week. In virtually every strike recorded the lost production was a hinderance to another plant or a project dependent upon the strike-bound firm for supplies or materials. One strike settled this week delayed construction of the Southwestern Proving Grounds at Hope, Ark., and work stoppage continues at a Middle Western plant that products 60 braces per week for Navy bombers. As has been pointed out before, the lost production cannot be made up.

On the basis of 4,784,000 man-hours lost during the coal strike, coal production has diminished in one week 2,990,000 tons. Because the strike-bound coal mines had been operating at capacity, this production cannot be made up until the national emergency is ended.

Company—	Product—	No. of Men on Strike	Date Strike Began	Man-Hours Lost Week End. Nov. 21, 1941
McKinney Mfg. Co., Pittsburgh, Pa.	Ordnance H'dware	500	10/22 *11/17	4,000
Midland Wire Corp., Tiffin, Ohio	Copper Wire	135	10/16	5,400
Anaconda Wire & Cable Co., Muskegon, Mich.	Wire Coils	750	9/18 *11/19	12,000
John A. Roebling Sons & Co., Trenton, N. J.	Cable	250	11/12 *11/17	8,000
City Machine & Tool Co., Toledo, Ohio	Machine Parts	125	11/1	5,000
Allied Products Corp. (Richard Bros. Div.), Hillsdale, Mich.	Machine Parts	410	11/18	13,120
A. W. Cash Co., Decatur, Ill.	Valves	65	10/21	2,600
Goodyear Rubber Co., Middletown, Conn.	Boots	1,000	11/1	40,000
Novi Equipment Co., Novi, Mich.	Auto Parts	263	11/5	10,520
Federal Mfg. & Engineering Corp., Brooklyn, N.	Signal Corps Equipment	105	11/10	4,220
Columbia Steel Co., Pittsburgh, Calif.	Steel	218	11/19	24,000
Curtiss-Wright Corp., Columbus, Ohio	Bombers	300	11/20 *11/22	7,200
New York City—Sugar Refinery Workers		2,500	11/15 *11/21	100,000
New York City—Shoemakers		3,000	11/17 *11/19	56,000
Captive and commercial coal mine		213,200	11/17	4,874,000
Total		222,821		5,076,000

*Date strike ended.

Latest Threat To Steel Output Ended—Scrap Shortage Forces Curtailment By More Plants

Ending of the coal strike stopped the latest threat to continued production of steel for the defense program and for civilian use but the issue over which it was called—the closed shop in the captive steel company owned mines—still had not been settled at midweek, the "Iron Age" reports in its issue of Nov. 27, adding: "The strike had chalked up another production loss against the defense program, the loss in ingot output in the Pittsburgh area alone being 21,000 tons.

"Beset from all sides by work stoppages, other schedule interruptions, overdoses of priorities, scrap and pig iron shortages and other retarding factors, the steel industry this week felt more than ever that it was doing a good job in keeping steel production so close to capacity.

"In the steel producing and consuming industries the gradual changeover to allocations from priorities is making itself felt. Upwards of 20,000 tons of plates have been taken from the books of one company and distributed among four or more steel makers with wide strip mills. The reallocated tonnage involves material for freight car construction, and the space left open by this redistribution will be utilized to expedite production of Naval and Maritime Commission material. The move for allocation of concrete bars, tool steel, alloy steel and other products gained in the past week. A scarcity of nails has materialized on some government-sponsored projects and it is expected that allocations for this lowly item may soon be made.

"Easing of the iron and steel scrap shortage—one of the major industrial headaches of the year—still is far beyond the horizon, and more steel plants have been forced to reduce production because of lack of scrap. Since industry is heading into a crucial period when scrap supplies will be more limited than ever, the government is pounding harder to force compliance with its regulations. Various orders have been issued during the last two weeks directing scrap shipments to assist defense producers but the allocation plan is considered to be very much in its initial stages. The new reports which are being filed with the Bureau of Mines by producers, dealers and consumers will enable the government to commandeer fixed percentages based on the reports filed for the preceding month. Dealers have been warned by the OPM to comply more quickly with allocation orders. At Chicago one large steel producer plans to remove three or four openhearths on Dec. 1 due to lack of scrap while Cleveland expects a drop in operations and the Birmingham area cannot restore the rate of ingot production to recent high levels unless more scrap can be obtained.

"Reflecting effects of the captive coal mine strike and of the scrap shortage, steel ingot production this week is estimated at 95.5% of capacity, a decline of 1½ points from last week's rate of 97% and two points below the rate prevailing before the strike began. Some steel producing districts, better fortified than others with respect to coal stocks, were not forced to reduce operations. While steel plants are endeavoring to put back all the openhearths as quickly as possible, it will not be possible to attain the pre-strike level immediately, due to the lag between getting a blast furnace back into blast and operating an openhearth furnace to which its hot metal is going.

"Pittsburgh district steel operations are down two points this week to 96%; Chicago off one and one half to 99.5; Youngstown down seven to 89; Philadelphia up two to 92; Cleveland off four to 95; Buffalo unchanged at 90; Wheeling down two to 92; South unchanged at 95.5; Detroit up 11.5 to 112.5 and Southern Ohio River down 1 to 100; Western unchanged at 96; St. Louis off 4.5 to 105.5 and Eastern Seaboard up 2 to 109%.

"Steel bookings by Ohio mills for November are running as much as 30% below the rate for October with only one mill reporting an increase, in this instance 10%. Several large steel companies in Pennsylvania report November bookings from slightly below to 5% above the October total, with so many priority ratings granted in the past month that most mills are in no position to handle anything except rated tonnage.

"A major reason for the decline in steel orders is the drop in demand for sheets and structurals, the decline in sheet demand resulting from inability of non-defense consumers to obtain priority ratings and the realization by such consumers that even if they could get the necessary steel they would have difficulty in obtaining other materials.

"Of interest to small plants is a proposal to establish a Production Requirement Plan setting up quarterly blanket ratings covering civilian as well as defense manufacturers and extending to maintenance, repair and operating supplies. A new form PD-25-a will be utilized and more than 10,000 plants are expected to be operating under the plan's provisions shortly after Jan. 1.

"Structural steel awards of 27,500 tons are double those of a week ago and include 18,000 tons for a plant at Las Vegas, Nev. for Basic Magnesium, Inc. Another sizeable letting is 2,730 tons for the Stickney division of the Chicago Sanitary District, Chicago. New structural steel projects declined to 12,500 tons from 16,700 tons last week, the new jobs including 4,775 tons at Grand Blanc, Mich. for a tank plant for the Defense Plant Corp. and 2,500 tons for the Maritime Commission."

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Nov. 25, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Nov. 25, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Nov. 25, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	21.00

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American Iron and Steel Institute on Nov. 24 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 95.9% of capacity for the week beginning Nov. 24, compared with 97.0% one week ago, 99.9% one month ago and 96.6% one year ago. This represents a decrease of 1.1 points or 1.1%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

1940—	
Nov 4	96.0%
Nov 11	96.1%
Nov 18	96.6%
Nov 25	96.6%
Dec 2	96.9%
Dec 9	96.0%
Dec 16	96.8%
Dec 23	80.8%
Dec 30	95.9%
1941—	
Jan 6	97.2%
Jan 13	98.5%
Jan 20	96.5%
Jan 27	97.1%
Feb 3	96.9%
Feb 10	97.1%
Feb 17	94.6%
Feb 24	96.3%
Mar 3	97.5%
Mar 10	98.8%
Mar 17	99.4%
Mar 24	99.8%
Mar 31	99.2%
Apr 7	99.3%
Apr 14	98.3%
Apr 21	96.0%
Apr 28	94.3%
May 5	96.8%
May 12	99.2%
May 19	99.9%
May 26	98.6%
Jun 2	99.2%
Jun 9	98.6%
Jun 16	99.0%
Jun 23	99.9%
Jun 30	91.8%
Jly 7	94.9%
Jly 14	95.2%
Jly 21	96.0%
Jly 28	97.6%
Aug 4	96.3%
Aug 11	95.6%
Aug 18	96.2%
Aug 25	96.5%
Sep 2	96.3%
Sep 8	96.9%
Sep 15	96.1%
Sep 22	96.8%
Sep 29	96.9%
Oct 6	98.1%
Oct 13	98.4%
Oct 20	97.8%
Oct 27	99.9%
Nov 3	98.2%
Nov 10	96.6%
Nov 17	97.0%
Nov 24	95.9%

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 24, stated:

> While short scrap supply continues a large factor in steel production emphasis has shifted temporarily to coke, interruption of coal mining at captive mines and sympathetic strikes at commercial mines threatening reduction in pig iron output. Already numerous blast furnaces are being banked or blown out and if the stoppage continues many days others will be forced down. Efforts have been made to increase coal and coke inventory over the past few weeks but in general supply is not sufficient to span a prolonged period of mine idleness.
>
> With the scrap shortage growing more acute and pig iron supply curtailed by blast furnace idleness a major cut in steel output seems certain within a few days. In some instances blast furnaces have only a few days' supply of coke, while others have sufficient for two weeks or more. Mills dependent on captive mines will feel the impact of the strike most severely, while those buying coke from commercial mines will be in better position.
>
> Production last week dropped 1½ points to 95½% from these causes and will go lower this week unless the coal strike is settled immediately. Only Cincinnati showed a gain, 3½ points, to 91½%. Youngstown dropped 6 points to 88%; Chicago 1 point to 101½; Cleveland 2¼ points to 92% and Wheeling 9 points to 82%. Unchanged rates were maintained as follows: St. Louis, 98%; Detroit,

96; Buffalo, 79; Birmingham, 90; New England, 92; Pittsburgh, 99; Eastern Pennsylvania, 91.

Tapering of automobile production is limiting output of scrap at Detroit, steelmakers there already on short supply. Approach of cold weather, always a deterrent to collections, also is making the scrap position less secure.

With production only three days last week automobile output was 76,820 units, a decrease of 16,170 from the 92,990 the preceding week. In the corresponding week last year production was 102,340 cars. Auto production is being curtailed to meet the quota established by OPM and the industry will be practically shut down shortly after the beginning of December.

Cause of increasing demand for shipbuilding plates is found in the fact that private shipyards building steel ships have increased from 21 to 65 since the beginning of the emergency, shipways 300 feet in length from 83 to 383 and workers from 65,000 to 250,000, as shown by a survey of the National Council of American Shipbuilders. That mills have been supplying ship steel as needed is shown by reduction of time required for completion of vessels, several months being cut from former schedules.

October consumption of Lake Superior iron ore set a new record at 6,612,186 gross tons, topping the August figure of 6,534,424 tons. Cumulative consumption to Nov. 1 this year was 62,772,674 tons, compared with 50,280,269 tons in the same period last year. Ore at furnaces and on Lake Erie docks Nov. 1 totaled 43,945,751 tons, compared with 41,125,450 tons a year ago.

Steel exports continue to rise, shipments, aside from scrap, totaling 641,094 gross tons in September, compared with 617,477 tons in August. Total exports, except scrap, for nine months totaled 4,753,255 tons, below the total of 5,487,012 tons in first nine months last year.

Current steel bookings are down from October, in some cases as much as 15% during first half of November, although the total for the year to date is substantially higher than for 1940. In the case of some mills orders last week were only about 50% of preceding weeks. Practically no steel is being booked for non-defense use with future delivery. Order M-21 by OPM has brought this about. This is speeding the changeover to defense work by all consumers having such contracts.

Slight increase in consumer inventory is appearing here and there, the cause not being clear. It is attributed to smaller production of civilian items as shortages occur in some other materials, while defense subcontracts are not yet fully under way. When the latter is fully developed these accumulations, not large in any case, will disappear promptly.

Composite prices are unchanged, held steady by ceilings imposed by government agencies, as follows: Finished steel, $56.73; semifinished steel, $36.00; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

Decline In New York City Bank Deposits Is Discussed By Bank's Economic Adviser

In a study as to the "Effect of Declining Excess Reserves on Banks in New York City," J. H. Riddle, Economic Adviser of the Bankers Trust Co. of New York, points to the fact that "from the end of May, 1941, the New York City banks experienced the most phenomenal deposit growth in their entire history," and at the same time he presents a chart to show "that since the Spring of this year the deposits of these New York banks have not only ceased to rise but have actually turned downward." This," says Mr. Riddle," raises the question as to whether the great expansion may not be over for the time being and whether we may not face a period of declining deposits in this city." "An examination of the factors involved" is presented by Mr. Riddle, which he says, "may throw some light on the question as to whether the size of New York institutions relative to the banks in the rest of the country may not decline substantially during the next few years."

In reviewing "the factors responsible for the phenomenal expansion, and in turning to consideration of the changes which have already occurred in these factors," Mr. Riddle (who presents with his study several charts) says:

The growth of deposits in this city came very largely from three sources: (1) gold imports; (2) increase in correspondent bank balances, and (3) increase in loans and investments. The basic factor, of course, was gold imports at New York which aggregated from December, 1937, to May, 1941, over $8,000,000,000 (exclusive of gold earmarked for foreign account. This gold which came in through New York resulted in increased bank deposits in this city. Prior to the war these gold imports reflected the inflow of capital fleeing Europe, and most of these foreign deposits remained in New York. After the outbreak of the war, much of the incoming gold was used to buy goods and materials in this country, and the deposits created were rather quickly distributed over the country.

The gold imports in turn created the tremendous volume of excess reserves, and the distribution of these excess reserves through the country caused the interior banks to build up large balances in New York. Balances in New York of banks outside this district increased over $1,500,000,000 during the period mentioned. The tremendous volume of surplus funds in New York created by gold imports and increased bank balances led to the big expansion in holdings of Government securities by New York banks.

Of course, New York's deposits haven't increased as much as gold imports plus increase in "due to" banks plus increase in loans and investments would indicate. One reason for this is that money in circulation has increased rapidly. Furthermore, some of their foreign funds were deposited in the Federal, and as long as they remain there they are not reflected in member bank deposits. The third and most important reason is that during this period Treasury and other transactions have tended to pull funds away from New York, thereby offsetting in a measure the factors which tend to increase the deposits here. Chart III, which was made up from figures supplied by the Federal Reserve Bank of New York, shows the extent of these operations since the end of 1937. The figures have been compiled to show gains and losses of reserve funds in this district, but these factors also affect bank deposits. Gold imports and expanding bank balances, for example, have been increasing deposits here while Treasury transactions, increasing currency in circulation and other transactions have been reducing deposits. Other transactions include "payments for goods and services obtained from outside the New York district, use of loans from New York banks by borrowers in other parts of the country, and purchases of securities from holders outside the district."

End of Gold Movement and Decline in Excess Reserves

The heavy gold movement to this country ended about the first quarter of this year, and since that time imports have dwindled to small proportions. The effect of this change on excess reserves and deposits in New York was felt almost immediately because Treasury and other transactions which pull funds out of New York have continued to operate.

* * *

About 80 %of the total decline in excess reserves since the first of this year has been in New York City banks. When excess reserves began to decline correspondent balances in New York ceased to grow, although they have declined only slightly thus far. With excess reserves now of about $800,000,000 the reporting member banks of New York City owe other domestic banks about $3,700,000,000 (including amounts due savings banks and other local institutions). This figure compares with about $1,000,000,000 in 1929.

Furthermore, individual and corporate deposits of the reporting member banks in this city have declined over $1,000,000,000 the peak in May, in spite of the fact that loans and investments have continued to rise. In other words, the net movement of funds away from New York and the increase in currency in circulation in this commuity have been greater than the deposits created here by expanding loans and investments.

Further Decline in Excess Reserves

The important question is what effect will a continued reduction in excess reserves of all member banks have on deposits in New York City. On November 1, when the increase in reserve requirements went into effect, excess reserves of all member banks declined to about $3,400,000,000, or about half the total reached at the peak a year ago. The figure may be less than $2,000,000,000 a year hence if present trends in deposits and currency in circulation continue, and there is no indication as yet of a change in these trends.

There is little doubt that deposits and earning assets of banks in the country as a whole will continue to grow, at least as long as defense outlays continue to expand and the Government relies in part on the banks for its funds, but whether New York will continue to participate in this growth to the same degree as in the past is a question. Earning assets of banks in this city may continue to expand as long as we have a substantial amount of surplus funds, but excess reserves in New York may be down to $500,000,000 or $600,000,000 by the end of this year and may disappear within a few months unless, of course, Washington should take steps to stop the decline.

Factors Pulling Funds Out of New York

As long as the loans and investments of New York banks continue to expand, some of the deposits created will doubtless continue to be transferred out of the district by Treasury and commercial operations. The investment in Government securities by life insurance companies and others of the idle balances now kept in New York might also result in a further shift of funds out of New York. The investment in New York of funds kept on balance here by the interior banks will have the same effect. Probably a substantial proportion of the correspondent balances in New York may be withdrawn gradually in this manner. A continued decline in total excess reserves, furthermore, may cause out-of-town banks to draw directly some of their balances in New York for the purpose of building up their reserves. These withdrawals may be small at first, but are likely to increase as excess reserves decline. A continued decline in over-all excess reserves according to present trends could in time result in the withdrawal of as much as $2,000,000,000 of bank balances from New York.

To meet these developments the New York banks, after their own excess reserves are exhausted, may have to borrow from the Federal or reduce their assets and deposits. In fact, liquidation of assets may begin in New York City before all its excess reserves disappear, because some institutions are almost completely invested and will begin to feel the pinch before others. Under these conditions a declining trend in deposits and earning assets might develop in New York, even though the trend continues upward in other sections of the country. There is apparently no threat of an immediate heavy withdrawal of correspondent balances from New York, but looking ahead over a period of a year or two, a gradual withdrawal of these balances is a distinct possibility.

Factors Retarding the Outflow of Funds

The drift of funds out of New York may be retarded by other factors. When interest rates rise in New York, funds in other centers might seek investment outlets here. The machinery for this, however, is not so smooth as it once war. When New York's excess reserves are about exhausted and her earning assets stop rising, then Treasury and other transactions will probably not continue to pull funds out of this community at the same rate as heretofore. In fact, there might be some tendency the other way. If the Treasury, for example, should distribute more in this district than it borrows here, or if New York should show net sales of securities to the interior, the result might be some flow of funds into this district. Perhaps these factors will help to prevent liquidation in New York from becoming too rapid or too severe.

The withdrawal of correspondent balances and the outflow of currency might also be offset in a meaure by the movement of corporate and individual deposits to New York. Whether this movement will be larger than usual remains to be seen. No doubt the competition among New York banks for individual and corporate deposits will be greatly increased.

Bank Loans May Level Off

If bank loans should level off during the next few months, it would further help to ease the drain on New York, because some of the funds borrowed in this city are spent in the interior. It cannot be assumed that bank loans will continue to rise at the same rate that they have been increasing during the past 14 or 15 months. As more and more industries reach the end of their expansion period and the peak of their output, their cash position will doubtless improve and their need for loans may decline somewhat. Government orders for defense plant expansion are nearing an end, and, therefore, the volume of construction loans for defense plants may not continue to rise much longer. The expansion of the defense program will interfere more and more with non-defense industries and in some cases probably reduce the loan demands of the latter. Since the Government itself finances a large proportion of the defense industries, an increasing proportion of total industrial needs will probably be financed directly or indirecently by the Government.

* * *

Power of Monetary Authorities

It should be emphasized that the monetary authorities, through their powers of credit control, are able to exercise a major influence upon the amount and the distribution of bank reserves. For example, the Treasury and the Federal Reserve could bolster reserves in the New York market in a number of ways. They might keep total excess reserves at a high level in order to prevent rising interest rates, or they might undertake to keep money conditions easy in New York by reducing reserve requirements in this city or by engaging in open-market operations to build up reserves here. The latter would not only add to reserves but would also increase the demand for Government securities.

The probable trends as outlined above could be modified, checked or reversed by a change in the war picture, by Government action or by other events. The release of earmarked gold or the use of gold in the stabilization fund would increase excess reserves. Open-market purchases or a reduction in reserve requirements might be used to keep surplus funds up and interest rates down. A decline in bank credit and a return flow of money from circulation would tend to increase excess reserves. An end to the war might bring a deflationary tendency and considerable liquidation.

Moody's Commodity Index Declines

Moody's Daily Commodity Index declined moderately from 209.0 a week ago to 207.8 this Tuesday. The most important individual change was the drop in hog prices.

The movement of the index was as follows:

Tuesday, Nov. 18	209.0
Wednesday, Nov. 19	209.3
Thursday, Nov. 20	*
Friday, Nov. 21	209.4
Saturday, Nov. 22	209.4
Monday, Nov. 24	208.8
Tuesday, Nov. 25	207.8
Two weeks ago, Nov. 10	209.7
Month ago, Oct. 25	208.3
Year ago, Nov. 25	168.2
1940 High—Dec. 31	171.8
Low—Aug. 16	149.3
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6

*Holiday.

Argentinian Is Guest

Marcelino A. Ceriale, Director of the national standardizing body of Argentina, has accepted an invitation to visit the United States as a guest of the American Standards Association, according to an announcement made in New York on Nov. 12 by P. G. Agnew, Secretary of the Association. The purpose of the visit which is to take place in February or March, is designed to further cement the friendly relations between the United States and Argentina by giving Mr. Ceriale an opportunity to study at first hand the development of American industrial practices and standards.

Petroleum And Its Products

Signing of a six-point pact between the United States and Mexico covering the oil and land disputes, and opening up the way to final settlement of the oil expropriation tangle, by representatives of both Governments was announced in Washington on Nov. 19 by the Department of State. "These agreements have been reached only after months of discussion and negotiations," the Department of State pointed out, "some of the questions involved, such as those coming under the heading of general claims, have defied solution for generations. Others growing out of the expropriation of petroleum properties owned by nationals of the United States, while of comparatively recent origin, have presented very difficult and complicated issues."

The new economic agreement signed with Mexico provides that the United States and Mexican Governments will each appoint, within 30 days, an expert to establish the "just compensation" which the United States companies and interests should receive for their properties lost through expropriation by the Cardenas Administration early in 1938. Under the pact, which also provides for the payment of a token deposit of $9,000,000 by the Mexican Government immediately, should the experts be unable to agree within five months, they are to report back to their respective Govenrments and efforts to settle the compensation issue through diplomatic channels will be reopened. The other points covered in the agreement insure financial aid to Mexico through the resumption of silver purchases, loans, etc.

As was generally anticipated, the oil companies did not approve of the settlement machinery setup in the State Department agreement since it ignored their basic argument—that they are entitled to consideration of their sub-soil holdings in any final valuation. The proposed settlement was branded by W. S. Farish, head of Standard Oil Co. (N. J.) as unfair and tending to validate the "original confiscation" as he reiterated his previous statement that the companies could not accept the settlement as outlined in the announcement of the State Department last Wednesday. He disclosed that the oil companies had written Secretary of State Hull saying that they do not feel that they could "from any point of view, justify the sacrifice, expressly or otherwise, of the interests with which they have been intrusted." The proposed agreement, it was argued, violated the principles of international law on which the United States and other interested governments have consistently stood.

In two letters sent to Secretary of State Hull earlier, the oil companies had explained the three reasons why they could not accept the agreement which the Department of State had submitted to them, Mr. Farish declared. In detail, the reasons are: (1) it purports to validate the original confiscation which violated international law, and thereby jeopardizes all foreign investments; (2) it promises payment over a period of 11 years from the time of expropriation by a government which already is now hopelessly in default on its foreign debt, and thereby repudiates the principles enunciated by the United States Government that a valid expropriation is conditioned on the payment of "adequate, effective and prompt" compensation, and (3) aside from these fundamental principles, the agreement itself is so vague and ambiguous as to seem to the companies dangerous; and it binds the companies to accept a speculative promise in exchange for their tangible properties.

In the most recent letter sent to Secretary of State Hull, the petroleum companies involved in the dispute said that they stood ready "to share with all other American companies, and with the citizens of the United States as a whole all lawful burdens lawfully imposed. But in view of the fundamental principles involved in a confiscatory seizure by the Government of Mexico of the foreign-owned oil properties in that country, principles on which the United States Government and other interested governments have consistently stood, we do not feel that we could, from any point of view, justify our sacrifice, expressly or otherwise, of the interests with which we are entrusted." What further action will be taken by the oil companies is impossible to determine at this time but it is known that they are determined to resist the "settlement" as vigorously as the State Department apparently is working toward their acceptance.

Domestic demand for crude oil during December will be sharply above both the previous month and the 1940 comparable period, according to the United States Bureau of Mines regular monthly market forecast which placed indicated consumption of crude at 4,139,000 daily during the final month of the year. This figure is 69,000 barrels higher than the November market demand estimate and 576,000 barrels above actual demand in December a year ago. Total estimated demand during December was totaled at 128,310,000 barrels, against 122,100,000 in November, and 110,436,000 barrels a year earlier. A slight gain in crude oil exports during December was indicated, with the total estimated at 2,500,000 barrels, against actual exports of 2,074,000 barrels in December, 1940.

Paced by a gain of nearly a quarter-million barrels in Texas, daily average production of crude oil soared to an all-time peak during the week of Nov. 22 when the Nation's wells turned out 4,336,850 barrels of crude daily, a gain of 250,000 barrels from the previous week. The mid-week report of the American Petroleum Institute disclosed a gain of 234,000 barrels in Texas production, which lifted the total to 1,694,450 barrels, and a gain of 20,000 in Illinois' flow at 405,100 barrels were the chief factors in the advance, other crude oil producing States showing moderate declines in output. Stocks of domestic and foreign crude oil were off 1,430,000 barrels during the week of Nov. 15, the Bureau of Mines disclosed on Nov. 23, dropping to 240,399,000 barrels. United States holdings of domestic crude were up 1,381,000 barrels, with a gain of 49,000 in inventories of foreign crude.

Senator Connally, author of the famed Connally "Hot Oil" law, last week introduced a bill in the Senate which would make this law permanent and, since the move was made at the suggestion of Petroleum Coordinator Harold L. Ickes, it seems likely that it will be enacted in the near future. Chairmen of the five regional marketing committees of the petroleum industry conferred in Washington early this week on oil marketing problems relating to the defense effort at the invitation of Dr. J. W. Frey, Director of Marketing in the Petroleum Coordination Office. Frank Buttram, head of the Independent Petroleum Producers Association, again sought the approval of the Office of Price Administration and of the Petroleum Coordinator of a 25-cent a barrel increase in crude prices, now being considered by the former organization.

Since imports thus far this year under the reciprocal trade agreements with Venezuela and other nations have been far above the average monthly quotas, imports of crude and refined oil will have to be pared during the balance of the year, statistics released by the United States Treasury Department this week disclosed. The quotas for the Dutch West Indies and Mexico, respectively, 578,806,200 gallons and 138,578,400 gallons, already have been filled while 1,607,497,910 gallons of the Venezuelan quota of 1,913,049,600 gallons had been filled by Nov. 1. Colombia had a quota of 86,956,800 gallons, of which all but 2,407,965 gallons had been imported by Nov. 1.

There were no crude oil prices posted this week.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Refined Products

Domestic demand for motor fuel during December was estimated at 52,200,000 barrels, somewhat below the 58,000,000-barrel November estimate, but 12½% above actual demand in the comparable month last month of 48,396,000 barrels, in the regular monthly market demand survey of the United States Bureau of Mines this week. Export demand was set at 2,800,000 barrels, exclusive of re-exports imported in bond, against 1,983,000 a year earlier.

"The Bureau's forecast recognizes the desirability of maintaining the present high rate of refinery operations during the winter months," it was pointed out in a discussion of the general outlook. "This applies primarily to the districts east of California, where runs to stills may already be close to refinery capacity and where the maintenance of stocks of refined products at higher-than-normal seasonal levels seems essential in anticipation of further increases in demand in 1942.

"A material part of the present national surplus in refinery capacity is located in California, where its use will be limited by the availability of tankers for foreign or intercoastal shipments. * * * While the principal current problem involves the relation of refinery capacity and stocks of refined products to increased demand in the districts east of California, no further heavy liquidation of crude stocks seems desirable and a substantial increase would be a wise precaution."

The question of supplies of residual fuel oil for industrial and Navy requirements "may become a serious problem," the Bureau indicated, since "an adequate supply of residual fuel oil may be dependent on the extent to which a profitable market will stimulate refinery yields and production, or upon direct use of crude for fuel, or upon ability to increase imports from Caribbean sources." Navy consumption of residual fuel oil in 1940 was at a new high at 17,000,000 barrels, up 5,000,000 barrels from the previous year, and, even barring further war developments, is expected to reach 25,000,000 barrels.

Further seasonal expansion in inventories of finished, unfinished and aviation gasoline during the week of Nov. 22 was disclosed in the American Petroleum Institute report today (Wednesday). Total holdings of 84,579,000 barrels represented a gain of 1,167,000 barrels over the previous week, and 5,162,000 barrels over the comparable period last year. Production of gasoline during the week was 13,555,000 barrels, against 13,772,000 a week earlier and 11,619,000 in the same week of 1940.

Refinery operations remained at the high rate which has consistently been reported in recent weeks, a fractional loss bringing the figure down 6/10ths of a point, to 92.3% of capacity. Daily average runs of crude oil to stills of 3,995,000 barrels represented a decline of 15,000 barrels from the previous week's total of 4,010,000 barrels. Stocks of gas oil and distillates showed a small decline while inventories of residual fuel oils showed little change.

The advent of slightly colder weather bolstered demand for heating oils in the East Coast markets, and the price structure showed firmness. Gasoline prices held contra-seasonally strong in practically all major marketing areas.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅜
Gulf Coast	.06-.06
Oklahoma	.06-.06⅜

y Super.

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	$.055
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	.05⅜-.06
Tulsa	.04⅜-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.55
Diesel	2.00
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	$.85-.90
Halifax	1.60

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28,30 D	.053
Tulsa	.03⅛-.03

Summary Of Gas Company Statistics

Revenues of manufactured and natural gas utilities amounted to $59,219,600 in August, 1941, as compared with $54,900,900 for the corresponding month of 1940, an increase of 7.9%, according to the American Gas Association. The corresponding total for the month of July, 1941, was $60,284,200, which compares with $56,451,500 in the same month last year, an increase of 6.8%.

Revenues from industrial and commercial users rose from $20,835,700 in August of 1940 to $24,407,300 in August of this year, a gain of 17.1%, which also compares with $24,005,700 in July, 1941, the latter figure being an increase of 19.4% over the $20,098,200 reported for July, 1940.

Revenues from domestic users such as cooking, water heating, refrigeration, etc., amounted to $34,812,300 in August, 1941, a gain of 2.2% over the same month last year.

The manufactured gas industry reported revenues of $27,739,600 for the month of August, 1941, and $28,259,700 for July, 1941, increases of 4.0% and 1.2% respectively, over the corresponding months in 1940. Revenues from commercial sales of manufactured gas in August, 1941, gained 3.5%, industrial revenues were 21.2% higher, and revenues from domestic uses gained 1.6% over the corresponding month last year.

The natural gas utilities reported revenues of $31,480,000 for August, 1941, or 11.5% more than for August, 1940, and also compares with $32,024,500 for July, 1941 which was 12.3% over July of last year. Revenues from sales of natural gas for industrial purposes in August, 1941 increased 21.8%, while revenues from sales for domestic purposes gained 2.2% over the month of August of last year.

Statistics for Eight Months Ended August

Customers served by manufactured and natural gas utilties totaled 18,170,200 on Aug. 31, 1941, an increase of 605,500 over the number reported on the same date a year ago, the American Gas Association also reports.

Revenues of manufactured and natural gas utilities aggregated $611,266,800 for the first eight months of 1941. This was an increase of 4.0% over the corresponding period of 1940.

Revenues from domestic customers decreased 0.3%, while revenues from industrial and commercial uses rose 13.0%.

Manufactured gas industry revenues totaled $256,008,400 for the first eight months, an increase of 2.2% from a year ago. Revenues from commercial sales of manufactured gas gained 2.2%, while industrial revenues were 21.7% more than for the corresponding period of 1940. Revenues from domestic uses such as cooking, water heating, refrigeration, etc., were 0.4% more than for a year ago.

Revenues of the natural gas industry for the first eight months aggregated $355,258,400, a gain of 5.3% from a year ago. Revenues from industrial uses increased 19.2%, while revenues from domestic uses decreased 1.0%.

During the eight months ending Aug. 31, 1941, some 130,886,700,000 cubic feet of natural gas were used in generating electric power in public utility steam plants throughout the country.

Bank Of Montreal Resources At Record

Total resources of $1,046,551,000, the highest in 124 years of operation, were reported on Nov. 24 by the Bank of Montreal in its statement of Oct. 31, 1941, the end of its financial year. This represents an increase of $85,216,000 over the close of the preceding fiscal year.

The record volume of operations during the past year, according to a statement issued by the Bank, reflects the extent to which it is participating in the wartime activity of industry and commerce through its branches in every part of the Dominion.

Deposits of the bank on Oct. 31 totaled $928,387,000, an increase over last year of $79,522,000. Of this amount $809,110,000 were in Canada and $119,277,000 elsewhere. In financing the expanded operation of manufacturers, farmers, merchants and others, the trend of the bank's commercial and other loans continued upwards. Total of such loans, at $275,698,000, represents an advance over last year's figures of $42,138,000. Of the total loans, $254,427,000 were in Canada and $21,271,000 elsewhere.

On the other hand, loans to provincial and municipal governments, at $28,964,000, were down by $6,349,000, indicating improvement in the finances of these public bodies.

Quickly available assets totaled $705,662,000, an increase of $42,476,000 compared with last year, and were equal to 73% of all liabilities to the public. Investments in Government and other bonds and debentures amounted to $498,740,000, which is higher by $36,913,000. Cash and deposits with the Bank of Canada increased $9,721,000 to a total of $92,755,000.

After payment of Dominion Government taxes amounting to $2,242,905, the bank's profits for the year were $3,437,026 compared with $3,435,941 for the preceding year.

October Motor Freight Volume Tops Records

Following a normal seasonal trend, the volume of revenue freight transported by motor truck in October increased 6.9% over September to reach a new all-time peak, according to reports compiled and released today by the American Trucking Associations. The October volume represented an increase of 19.9% over October, 1940, while the September volume showed an increase of 2.2% over August 1941, and a gain of 27.0% over the volume hauled in September, 1940.

Comparable reports were received by ATA from 201 motor carriers in 39 States. The reporting carriers transported an aggregate of 1,696,423 tons in October, as against 1,586,389 tons in September, and 1,414,910 tons in October, 1940, and 1,281,577 tons in September, 1940.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the 3-year period of 1938-1940 as representing 100, was 172.77. The index figure for September was 161.16.

Almost 85% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 5.2% over September, and 22.0% over October of the previous year. September was 2.1% over August, and 30.4% over September of 1940.

Transporters of petroleum products, accounting for almost 6% of the total tonnage reported, showed an increase of 4.4% over September, and an increase of 36.8% over October, 1940. September was 7.8% under August, but held 36.3% over September, 1940.

Movement of new automobiles and trucks constituted approximately 2½% of the total tonnage reported. Tonnage in this class, continuing to rise sharply following factory shutdowns for model changes, increased 129.3% over September, but remained 9.9% under October of last year. September had showed an increase of 43.2% over August, and a decrease of 27.7% as compared with September of 1940.

Haulers of iron and steel products reported 4% of the total tonnage. The volume of these commodities increased 33.6% over September, and held 32.0% over October, 1940. September showed a decrease of 11.8% under August, but increased 6.3% over September, 1940.

Almost 4% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials, cement and household goods. Tonnage in this class decreased 8.2% under September, and declined 18.6% under October of last year. September had shown a gain of 12.4% over August, and 42.6% over September of 1940.

White House Discloses U. S. Troops Will Protect Bauxite Mines In Dutch Guiana

The White House disclosed on Nov. 24 that a contingent of the United States Army was being sent to Dutch Guiana (Surinam), which lies on the northern coast of South America, to protect the bauxite mines in that territory which furnish upward of 60% of the requirements of this country's aluminum industry. This "defense measure" was taken in cooperation with the Netherlands Government in London, and according to the White House announcement "the Government of Brazil has indicated its whole-hearted approval of the emergency measures." It is further announced that it is understood that Brazil will maintain "military vigilance" in the frontier zone adjacent to Dutch Guiana. The White House announcement said that the American troops would be withdrawn "as soon as the present danger to the mines is removed and at the latest at the conclusion of hostilities." The White House announcement follows:

> The bauxite mines in Surinam furnish upward of 60% of the requirements of the United States aluminum industry which is vital to the defense of the United States, the Western Hemisphere and the nations actively resisting aggression.
>
> It is therefore necessary that the safety of these mines should be as completely assured as present conditions demand.
>
> In normal circumstances the Government of the Netherlands would, for the purpose of strengthening further the defenses of Surinam, draw on the armed forces of the Netherlands Indies. In view, however, of the present situation in the Southwestern Pacific, it is thought inadvisable to follow that course.
>
> For this reason the Governments of the Netherlands and of the United States of America have entered into consultation. As a result the latter has agreed to send a contingent of the United States Army to Surinam to cooperate with the Netherlands forces in assuring the protection of the bauxite mines in that territory. This contingent will, of course, be withdrawn as soon as the present danger to the mines is removed and at the latest at the conclusion of hostilities.
>
> Simultaneously, the Government of the Netherlands has invited the Government of the United States of Brazil to participate in this defense measure. It is understood that Brazil will contribute to the common aim by exercising an especial measure of military vigilance in the frontier zone adjacent to Surinam and by sending a mission to Paramaribo to exchange information and concert all other steps on the basis indicated to assure maximum efficiency of the safety measures thus being jointly undertaken by the Brazilian, United States and Netherlands forces.
>
> The Government of Brazil has indicated its whole-hearted approval of the emergency measures.
>
> At the same time the Government of the United States has notified the governments of the American republics of the foregoing arrangements which have been reached in the interests of all.

Cleveland Reserve Bank Directors Are Reelected

George C. Brainard, Chairman of the Board of Federal Reserve Bank of Cleveland, announced on Nov. 19 the reelection of Frank F. Brooks, President of the First National Bank at Pittsburgh, as a Class A Director, and of George D. Crabbs, Chairman of the Board of the Philip Carey Manufacturing Co., Cincinnati, as a Class B Director. These selections for a term of three years from Jan. 1, 1942, were made by member banks in Group I, which is comprised of banks with capital and surplus over $899,000. Mr. Brooks has been a Director of Federal Reserve Bank of Cleveland since Nov. 16, 1937, while Mr. Crabbs has been a Director of the Reserve Bank since Jan. 1, 1924.

Suspends Economic Aid To French North Africa

The State Department at Washington in a statement issued Nov. 20, said that as a result of reports that the French Government had "acquiesced to the express demands of Hitler to remove General Weygand from his post as Delegate General of France in Africa," the "American policy toward France is being reviewed, and all plans for economic assistance to French North Africa are suspended."

Official announcement was made by the Vichy government on Nov. 20 that General Maxime Weygand has retired as Delegate General of the French Government in Africa and Commander of French Forces in North Africa.

The State Department's announcement follows:

> According to reports reaching the Department, the French Government has acquiesced to the express demand of Hitler to remove General Weygand from his post as Delegate General of France in Africa, thus permitting a German control over French authority entirely outside the provisions of the armistice.
>
> As a result of these reports, American policy toward France is being reviewed, and all plans for economic assistance to French North Africa are suspended. It remains to be seen to what further extent Hitler will attempt to take over by force or threat of force the sovereignty and control of the French Empire.

N. Y. State Bankers Name Exchange Control Group

Eugene C. Donovan, President of the New York State Bankers Association, announced on Nov. 25 the appointment of a Foreign Exchange Control Committee whose purpose will be to advise the Association on how best its members may aid in carrying out the Treasury's freezing regulations and related foreign exchange orders.

The Committee consists of the following: Wilbert Ward, Assistant Vice-President, National City Bank of New York, Chairman; Alfred W. Barth, Assistant Cashier, Chase National Bank; John L. Timoney, Assistant Treasurer, Guaranty Trust Co.; F. A. Buck, Assistant Vice-President, Central Hanover Bank and Trust Co., and F. W. Boehm, Assistant Comptroller, Bankers Trust Co.

Argentina Guarantees Wheat, Flaxseed Prices

Farmers in Argentina this season will again be guaranteed minimum prices for their wheat and flaxseed, the United States Department of Agriculture reported on Nov. 22. A decree dated Nov. 15 says the Department authorizes the Argentine Grain Board to purchase 1941-42 crop wheat and flaxseed at a basic price of 54.7 cents per bushel for good quality wheat and about 70 cents per bushel for good quality flaxseed—delivered to the Board in Buenos Aires. The Board will fix differentials for quality and for grain delivered to the Board in other Argentine ports. Actual prices received by farmers will depend on distance from ports. The basic prices are the same as those guaranteed for the 1940-41 crops. The Department's announcement further said:

> Purchases of wheat and flaxseed, to begin on Dec. 1, will be contingent upon a promise by producers not to increase their seedings for the 1942-43 crop, and to reduce their seedings by not more than 10%, if requested to do so by the Board. The decree also provides as a condition for purchases made at these minimum prices, the acceptance by farmers of decisions made by an arbitration commission in case of disputes in respect to land rentals.
>
> As during the 1940-41 season, the Argentine Government will again pass on to the local flour milling industry a part of the expense involved in maintaining the price guaranty to farmers. With that in view, the decree provides that millers must buy all of their requirements of domestic wheat from the Grain Board and at a fixed price of about 72.9 cents per hushel.

Lend-Lease Aid To Be Given To Free French

President Roosevelt has declared that the defense of any French territory under control of the French Volunteer Forces (Free French) in Africa, under the command of General Charles de Gaulle, is "vital to the defense of the United States" and therefore entitled to lend-lease aid. This was disclosed in New York City on Nov. 24 by the Free French delegation in the United States, who made public a letter written by President Roosevelt on Nov. 11 to Edward R. Stettinius, Jr., Lend-Lease Administrator. The letter said:

> For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated Oct. 28, 1941, and in order to enable you to arrange for lend-lease aid to the French Volunteer Forces (Free French) by way of re-transfer from His Majesty's Government in the United Kingdom or their allies, I hereby find that the defense of any French territory under the control of the French Volunteer Forces (Free French) is vital to the defense of the United States.
>
> Very sincerely yours,
> FRANKLIN D. ROOSEVELT.

Imperial Bank Of Canada Reports Greater Assets

The 67th annual statement of the Imperial Bank of Canada, Toronto, covering the fiscal year ended Oct. 31, 1941, shows substantial growth in both assets and deposits. Net profits for the year, after providing for Dominion Government taxes ($594,532); contributions to staff pension and guarantee funds ($105,911) and after making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made, amounted to $872,190. Out of this amount, $700,000 was allocated to pay dividends at the rate of 10% per annum, and $150,000 was written off bank premises, leaving a balance of $22,190 to be carried forward, and when added to the Oct. 31, 1940, profit and loss balance of $676,651 makes a balance for Oct. 31, 1941, of $698,842. Total resources are shown in the report as $206,587,280, comparing with $191,491,715 a year ago, while total deposits are given as $187,430,362, against $173,387,338. The paid-up capital and reserve fund of $7,000,000 and $8,000,000, respectively, remain the same as a year ago.

Eccles To Address N. Y. State Bankers

Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, will be the chief speaker during the morning session of the mid-winter meeting of the New York State Bankers Association to be held on Jan. 19, it was announced on Nov. 24 by Eugene C. Donovan, President of the Association. The morning session will be held in the auditorium of the Federal Reserve Bank of New York; the afternoon session, also usually held there, has been abolished. In the evening the Association will hold its annual dinner at the Waldorf-Astoria Hotel.

Oct. Business Failures Increased Seasonally

Commercial failures reported to Dun & Bradstreet in October aggregated 809 cases, involving liabilities of $7,333,000. The number of insolvencies was greater than in September when 735 firms failed for $9,393,000, but this was in line with seasonal expectations. On the other hand, the number was markedly less than in October, 1940, when 1,111 firms failed for $12,715,000; the year-to-year decline was in about the same proportion as in other recent months. Liabilities involved in October's failures were exceptionally small; they were, in fact, the least recorded in any month since the figures have been compiled on the present basis, namely, since January, 1939. Compared with the years preceding that date, with which the current figures are not strictly comparable, it is necessary to go back to January, 1920, to find a smaller amount.

All of the five business classifications into which the failures are divided showed substantial improvement as compared with a year ago. The sharpest drop was in the wholesale trade division in which only 69 insolvencies, with $729,000 liabilities occurred last month, in comparison with 115 with $1,846,000 liabilities in October, 1940. In the manufacturing division only 138 firms failed for $2,879,000 last month as compared with 200 for $5,247,000 a year previous. Retail insolvencies dropped to 516 involving $2,790,000 from 681 involving $4,194,000 in October, 1940. In the construction field there were 57 casualties with $577,000 liabilities compared with 71 with $854,000 in the corresponding month of 1940. Commercial service failures decreased to 29 involving $358,000 compared with 44 involving $574,000 in October, 1940.

All the 12 Federal Reserve Districts, into which the country is divided, had fewer failures last month than in the same month of 1940 and three, Boston, Minneapolis and San Francisco, moving contrary to the general trend, had fewer than September.

Urges Billion Dollar Cut In Non-Defense Items

Secretary of the Treasury Morgenthau recommended on Nov. 14 a five-point program for Government economy, saying that he thought it possible to reduce non-defense expenditures by $1,000,000,000 a year. Making his suggestions to the recently-formed Joint Committee on Reduction of Non-Defense Expenditures, the Secretary in his prepared statement asked for the following, according to the Associated Press:

> 1. Complete elimination of the estimated $139,000,000 Federal appropriation for highway aid to States in the fiscal year 1942-43.
>
> 2. Elimination or drastic reduction of the activities of the Civilian Conservation Corps and the National Youth Administration and consolidation of all vocational training activities under a new bureau of defense training.
>
> 3. Drastic reductions in the aid-to-agriculture programs, including both those involving direct expenditures and those financed by loans.
>
> 4. Postponement of all reclamation projects are not deemed necessary for the generation of power for defense industries.
>
> 5. Re-examination and postponement of all river and harbor and flood-control projects not essential to human life and safety.

LEGAL ODDITIES

WHEN THE CITY SUES THE PRESS

If John Doe falsely "prints and publishes" that Richard Roe is bankrupt, Roe may (and often does) sue Doe and collect substantial damages, but apparently the only case where a city sued a newspaper for reflecting on the city's financial standing is found in 139 Northeastern Reporter, 86, where evidence showed that the newspaper certainly made it emphatic, and stated that the city was broke, owed millions, bankruptcy was just around the corner, its credit shot to pieces, and that the city was issuing Mexican scrip to pay its bills, together with other statements equally strong and positive.

The Supreme Court of Illinois, however, decided that the city had no right of action, and upheld the liberty of the press.

"The fundamental right of freedom of speech is involved in this litigation," said the Court, "and not merely the right of liberty of the press. If this action can be maintained against a newspaper it can be maintained against every private citizen who ventures to criticize the ministers who are temporarily conducting the affairs of his government," said the Court.

"That may be true as a general proposition, but when a city operates public utilities, and goes into other activities usually controlled by private citizens, it loses its governmental status, and stands in the shoes of a private citizen or corporation," was the city's final argument, but the Court overruled this contention as well.

"It is manifest that, the more so called private property the people permit their governments to own and operate, the more important is the right to freely criticize the administration of the government," said the Court on this point. "As the amount of property owned by the city and the amount of public business to be transacted by the city increase, so does the opportunity for inefficient administration increase, and the greater will be the efforts of the administration to remain in control of such a political prize. The richer the city, the greater the incentive to stifle opposition."

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United States And Mexico Sign Agreement But Oil Companies Reject Proposals

The United States and Mexico signed an agreement on Nov. 19 looking to the adjustment of most of the principal mutual problems which have long been in dispute between the two countries. The pact, calling for negotiations to settle the differences over expropriated oil properties, adjustment of property claims, stabilization of Mexican peso silver purchases, extension of highway building credits and negotiations for a reciprocal trade agreement, was concluded by Secretary of State Cordell Hull and Mexican Ambassador Francisco Castillo Nafera in an exchange of notes.

In a formal statement, Secretary Hull said the agreement marks a "new milestone of great importance in the cause of increasingly close collaboration and solidarity between the countries of the New World." He also asserted that "those agreements constitute a further concrete proof of the fact that problems existing between nations are capable of mutually satisfactory settlement when approached in a reciprocal spirit of good will, tolerance and a desire to understand each other's points of view."

With respect to the petroleum expropriations, the agreement provides for the appointment of an expert by each government for the determination of a value of the properties, rights and interests which the Mexican Government expropriated from American interests in March, 1938. Mexico deposited $9,000,000 on account of the compensation to be paid to the affected American oil companies and interests.

Under the stabilization and silver purchase agreements, signed on Nov. 19 at the Treasury Department by Secretary Morgenthau, Mexican Finance Secretary Eduardo Suarez, and Senor Antonio Espinosa de los Monteros, representing the Bank of Mexico, the United States will provide up to $40,000,000 to stabilize the United States dollar-Mexican peso rate of exchange. The joint statement issued by Messrs. Morgenthau and Suarez said:

> The agreement provides that up to $40,000,000 of the United States Stabilization Fund will be used for this purpose. The agreement also provides for periodic conferences among representatives of the two Treasuries and the Bank of Mexico to discuss monetary, financial and economic problems of mutual interest.
>
> The silver purchase agreement is a month to month arrangement between the United States and Mexico, whereby the United States Treasury undertakes to purchase monthly up to 6,000,000 ounces of newly-mined Mexican silver. The silver will be purchased directly from the Bank of Mexico on a basis similar to the arrangements which were in effect prior to 1938. The silver purchases are made pursuant to the provisions of the Silver Purchase Act of 1934.
>
> The agreement further provides that the Export-Import Bank will accept $30,000,000 in road improvement bonds from Mexico as security for credits, in order that Mexico may expedite its highway construction program, and the Bank will consider "sympathetically" applications for credit for other projects guaranteed by the Mexican Government.

Under the property claims provision of the agreement, including the so-called general claims and the agrarian claims, Mexico agrees to pay $40,000,000 in full settlement. Mexico has already paid $3,000,000 on these claims and will pay $3,000,000 when ratifications of the convention covering them are exchanged. The remaining $34,000,000 is payable at the rate of $2,500,000 annually, beginning in 1942.

The other section of the overall agreement provides that the two governments will negotiate a reciprocal trade pact, plans for which will be announced later.

With regard to the proposed settlement between the American and Mexican governments of the oil expropriation question, the American oil companies announced on Nov. 21 through W. S. Farish, President of the Standard Oil Co. of New Jersey, that they could not accept the proposal. In two letters to Secretary of State Cordell Hull, the oil companies previously had rejected the proposed settlement, which was first given to them for consideration in October. Mr. Farish said that in the letters the oil companies listed the three following reasons why they could not accept the proposal:

> 1. It purports to validate the original confiscation, which violated international law, and thereby jeopardizes all foreign investments.
>
> 2. It promises payment over a period of 11 years from the time of expropriation by a Government which already is now hopelessly in default of its foreign debts, and thereby repudiates the principles enunciated by the United States Government that a valid expropriation is conditioned on the payment of "adequate, effective and prompt" compensation.
>
> 3. Aside from these fundamental principles, the agreement itself is so vague and ambiguous as to seem to the companies dangerous; and it binds the companies to accept a speculative promise in exchange for their tangible properties.

In his statement issued Nov. 19 Secretary Hull had the following to say in part regarding the agreements reached:

> These agreements have been reached only after months of discussion and negotiations. Some of the questions involved, such as those coming under the heading of general claims, have defied solution for generations. Others, such as those growing out of the expropriation of petroleum properties owned by nationals of the United States, while of comparatively recent origin, have presented very difficult and complicated issues.
>
> The scope of these agreements is evident from their mention. They cover an adjustment of property claims, including the so-called general claims and the agrarian claims, an agreement covering the expropriation of United States petroleum properties, an agreement in principle to negotiate a reciprocal trade agreement, an arrangement between the United States Treasury Department and the Mexican Government and the Banco de Mexico for the stabilization of the Mexican peso, an agreement for purchase by the United States Treasury Department of newly mined Mexican silver directly from the Mexican Government, and an agreement between the Export-Import Bank and the Mexican Government for the extension of credits to facilitate the completion of the Inter-American highway through Mexico. A separate statement regarding the broad outlines of the several agreements has been made available by the Department.
>
> The agreement covering the petroleum expropriations deserves special mention. The petroleum properties were expropriated three and one-half years ago. Since that time negotiations have been repeatedly undertaken by the Mexican Government and the affected United States interests. Unfortunately, the negotiations involving the largest United States interests were fruitless. Although this Government was not a direct participant in these negotiations, it did what it could to facilitate a solution of the problem through both formal and informal representations to the Mexican Government.
>
> In view of the total absence of any negotiations between the American interests and the Mexican Government during the present calendar year, and because of the importance of advancing the petroleum dispute to a prompt settlement, this Government undertook to canvass the problem with the Mexican Government in the hope that a fair and equitable arrangement might be reached.
>
> This Government believes that the arrangement signed today embodies a practical, efficient and equitable procedure for promoting a solution of this question. Its central feature is provision for the determination of the value of the expropriated properties, rights and interests. This information obviously is essential in connection with any settlement. The American interests involved will retain full liberty of action in determining the course they will pursue before, during and after the valuation proceedings.

Strike In "Captive" Coal Mines Is Ended Closed Shop Issue To Be Arbitrated

The strike in the captive coal mines was ordered ended on Nov. 22 following acceptance by the United Mine Workers' National Policy Committee of President Roosevelt's proposal for arbitration of the union shop issue. The UMW Policy Committee directed the 53,000 employed in the captive mines, which are owned by several steel companies, and an estimated 150,000 others employed in commercial mines, who struck in "sympathy," back to work.

The arbitration, which the President suggested to the steel companies and to the UMW on Nov. 18 "in the public interest," will be undertaken by a Board consisting of Dr. John R. Steelman, head of the Department of Labor Conciliation Service, who will be the public representative; Benjamin Fairless, President of the U. S. Steel Corporation, representing the steel companies, and John L. Lewis, President of the UMW, representing the mine workers. The Arbitration Board's decision in the captive mine dispute will be binding on both parties "for the period of the national emergency."

The strike in the captive mines first started on Oct. 27 and was ended on Oct. 30 under a temporary agreement which proposed that the National Defense Mediation Board recommend action in the controversy. This truce expired on Nov. 15 and, as a result of the Mediation Board's rejection of the union's demand for a union shop, the strike was resumed on Nov. 17. The Board's report, made public on Nov. 9, was adopted by a 9 to 2 vote. Philip Murray, President of the Congress of Industrial Organizations, and Thomas Kennedy, Secretary-Treasurer of the UMW, the two CIO members of the NDMB, resigned from the Mediation Board, along with other CIO alternate members, as a result of this action.

On Nov. 14 President Roosevelt held a conference with representatives of the owners and employees asking (1) that negotiations be continued and if no conclusion was reached to submit the point at issue to arbitaration, and (2) that other matters relating to employment be considered.

The union was represented at these talks by Messrs. Lewis, Murray and Kennedy while the steel companies' executive committee was made up of Mr. Fairless, Eugene G. Grace, President of the Bethlehem Steel Co., and Frank Purnell, President of the Youngstown Sheet & Tube Co.

In a statement issued Nov. 14, President Roosevelt asserted that the "Government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop." Saying that while 95% of the employees in the captive mines were members of the union, the President declared that the "Government will never compel" the remaining 5% to join the union by government decree. He added that "that would be too much like the Hitler methods toward labor."

When the negotiations between the union and steel executives broke down without an agreement and the point in dispute was not submitted to arbitration, the President on Nov. 18 made another appeal for settlement of the dispute in the captive mines, suggesting that the matter of the closed shop remain in status quo for the period of the national emergency or that this point be submitted to arbitration. The steel companies on Nov. 19 agreed to accept the arbitration proposal but Mr. Lewis personally rejected the suggestions, agreeing, however, to submit the proposals to the union's policy committee at a meeting on Nov. 22. In a letter to the meeting of the policy committee on Nov. 22, the President disclosed the names of those who would be appointed to the Arbitration Board and the group's acceptance followed. The committee recommended immediate return to work of all mine workers employed in the captive and commercial mines and the striking miners resumed operations shortly thereafter.

As a result of the captive mine situation several bills were introduced in Congress during the time the dispute was under discussion, giving the Government authority to take over strike-bound defense mines and factories. On Nov. 21 a Senate Judiciary Subcommittee heard spokesmen for the War and Navy Departments endorse a bill sponsored by Senator Connally, Democrat of Texas, to provide such authority. As was recently pointed out in Associated Press accounts from Washington, "captive" mines are owned by and produce coal for the steel companies whereas commercial mines sell their coal on the open market.

Savings And Loan League Meets In Miami

A record registration is expected at the United States Savings and Loan League annual meeting which gets under way at Miami, Fla., on Monday next (Dec. 1). According to Paul Endicott, President of the Association, the topics for consideration of the savings and loan association executives will range from how to keep the "new unemployed," the priority victims, from losing their homes, to the cooperatve home ownership plans with which the Federal public housing program is experimenting in defense areas. All discussions will be against the background of the armament economy in which the associations daily widening their efforts in Defense Bond Sales see increasing responsibilities for themselves in other phases, he emphasized. The convention will be concluded on Dec. 5.